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UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 61.

Section 1.

June 12, 1922.

Farmers Indorse
Ford Plan A campaign for acceptance of Henry Ford's Muscle Shoals offer at this session of Congress was begun last night by the American Farm Bureau Federation, whose Washington representative, Gray Silver, forwarded to State secretaries of the organization a circular suggesting that members of Congress be informed "in unmistakable terms" of the sentiment of the farmers toward the Ford plan. (Press, June 12.)

Finance Corpor-
ation Bill The President, June 10, signed the Senate bill, extending for one year the powers of the War Finance Corporation. (Cong. Rec., June 10.)
Approved

Rail Pay Cut
Expected Wage reductions estimated at not exceeding \$40,000,000 for 355,000 additional railway employees, whose wages the carriers seek to lower through the Railroad Labor Board, are expected to issue from the board within a few days, to be effective July 1. The new decision will make a total of approximately \$150,000,000 to be cut from the annual payrolls of the roads. (Assoc. Press, June 12.)

France Prevents
German Loan The Associated Press reports from Paris June 11: "Complete agreement among the allies on reparations, a solvent Germany and settlement once for all of the full reparations debt, the international bankers committee find in their report to the reparations commission are essential to the success of an international loan to Germany. In view of the fact that these conditions are lacking and because of the objections of France to a revision of the total reparations due from Germany, the committee has decided to suspend their study of the question, though confident that a substantial loan to Germany could be floated if these conditions were fulfilled, and they hold themselves ready to resume consideration of the question on the unanimous invitation of the reparations committee."

Europe's Crops A London cable to The New York Times to-day says: "No trustworthy official estimates of the European wheat yield are yet available.....The new European crops are generally reported to have improved in condition during May, but harvest yield is expected to be considerably less than in 1921."

Section 2

American
Shipping

"The Menace of Our Shipping Surplus" is the title of an article by R. T. Merrill, Director, Bureau of Research, United States Shipping Board, in The Magazine of Wall Street for June 10. This says in part: "In my opinion the basic cause for the present shipping depression lies in the surplus of tonnage with relation to the 1914 figure rather than to any decrease of cargo from that figure. We are here facing a condition, which has not hitherto interested this country, although British owners, who have made a study of it, sometimes find it advisable, in times of depression, to lay up tonnage by mutual agreement so as to stabilize the market for the balance of their ships. It was the war-emergency production of American yards, which overtonnaged the world from a peace basis so that to-day the greater part of the world's surplus shipping is laid up under the American flag. The first thing to do is to intelligently decide what we are to do with this surplus before there can be any permanent solution of the shipping situation. Our foreign-trade tonnage is largely Government owned. It consists chiefly of the requisitioned and interned tonnage, which was released after the war and thrown upon a collapsing speculative market completely glutting all demands for shipping. The Government can not dispose of its holdings, now operating at heavy loss, until private enterprise has established itself on a basis equivalent to Government service. Neither can private owners establish themselves in the face of Government service and compete with it, for competition is so savage to-day that only the cheapest operated ships can live, and--American vessels are about the most expensive to run. The ship subsidy bill can help here, if it goes through, as it will not only provide new ships of economic type but permit American owners to buy out the active shipping-board tonnage."

Bacon for
British Market

"American bacon, of which we send several million pounds every week to England, is not selling as high as it should on the British market. The English consumer is prejudiced against our bacon, because of the fact that during the war the British food administration permitted much of our bacon to spoil, but nevertheless continued to ration it out to the consumer. The American Wiltshire cure of bacon on the British market in May sold for only \$22 a hundred, as compared with \$35 a hundred for the same cut of Irish bacon. Even Canadian bacon, laboring under the same disadvantages as our bacon with respect to shipping conditions, sold \$7 a hundred higher. This is too much of a discrimination against our American bacon, and it is time that the prejudice was overcome. Representatives of American packers and British dealers in American pork products have been talking about putting on an advertising campaign in England costing about \$4,500 a month. This is a splendid idea. The meat board, to which both the leading packers and the leading live-stock organizations of the country belong, may well consider helping to finance this proposed advertising campaign in England." (Wallaces' Farmer, June 9.)

Corn Crop

An editorial in to-day's Washington Post says: "The public is vastly concerned in the question of crop yield, because, when the quantity is large, the tendency of prices is to diminish, and, at least in normal times, that diminution is reflected in the price of foodstuffs."

Cotton
Statistics

"For the purpose of ascertaining the views of the leading experts on the question of cotton supplies and prices, the American Cotton Association mailed out thousands of questionnaires, not to the producers but to experts in the other lines of the cotton industry, including the leading cotton authorities of the world. Herewith is a synopsis of the replies : Estimates of indicated yield as of May 22, 1922, 8,500,000 bales; estimated consumption of American cotton from the growing crop for next year, 14,000,000 bales; estimate of untenderable cotton now in American stocks, 1,250,000 bales; in my (the expert's) judgment, a yield of American cotton from the growing crop, based upon the following estimated production, will bring: If 11,000,000 bales, 35 cents per pound; if 10,000,000 bales, 45 cents; if 9,000,000 bales, 60 cents; if 8,000,000 bales, 80 cents; if 7,000,000, 90 cents; and if 6,500,000 bales, \$1.00 per pound. Many of those making the above estimate as to indicated yield point out that they expect the Government to show an estimate 25 per cent higher. They emphasize the fact that they are satisfied the Government will overestimate the crop this season as badly as it underestimated it last season. However, they also point out the certainty of a famine in cotton supplies regardless of the possibilities of the present crop yield." (Manufacturers Record, June 8.)

Future Trading
Bill

The National Stockman and Farmer for June 10 says in an editorial: "The new bill to regulate grain exchanges and their business is designed to avoid the constitutional objections to the Tincher-Capper bill, which proposed an improper use of the Federal power of taxation. Probably with or without legislation cooperative organizations will be admitted to the exchanges, to which some of them already belong. A more important provision of the new bill is that which proposes to prevent speculation by prohibiting the transmission of offers or confirmation of contracts for future delivery, or quotations about future contracts, except when the seller is at the time of sale 'the owner of the actual physical property covered thereby,' or is the grower thereof or an association of owners or growers. The legislators evidently believe that such a provision, forbidding the use of the mails, the wires and the air to makers of contracts for future delivery, would be to the advantage of producers. But would it be so? Does any one know of a commodity the producers of which are benefited by limiting the number of traders in it? Can it be possible that producers are benefited by requiring traders to carry 'the actual physical property' before they offer it to anybody else? Can producers benefit by measures which tend to stifle trade in their products? We think not, and believe that if such legislation were enacted producers would be among the first to ask for its repeal."

Russian Trade

The following statement on the Russian Trade Situation was issued by the Department of Commerce last night: "There seems to be some misunderstanding as to the practical character of trade agreements made with Russia by foreign Governments. There is nothing in the trade treaties between Russia and England, Germany, Italy, or other countries, which permits or establishes trade with private individuals in Russia. In substance, all that the treaties really provide is authority for the Russian Government itself to establish buying agencies in the several countries. To be sure, these

treaties nominally permitted citizens of the countries making them, under certain restrictions, to enter Russia, but when they arrived there, they found that trade was a Government monopoly, that they could not sell to private concerns, and that, in fact, the Government usually referred them back to its buying agencies in their own countries. In view of the fact that the total present imports of Soviet Russia are small, the interest of foreign concerns in selling goods there would necessarily lie chiefly in the hope of laying foundations for the future. No such hope can be entertained so long as the Soviet Government monopolizes import trade. Under that practice there can be no establishment of business connections, no building up of trade reputation. Within the past few months, cooperative institutions, which had been converted into purely Government organs, have been restored to some measure of independence, and have been given limited rights to engage in foreign trade at the same offices as the Soviet Government. Still more recently importation of some agricultural implements has been permitted to private Russian individuals. The great bulk of foreign trade, however, remains in the hands of Government organs."

Section 3

Department of
Agriculture

The Ohio Farmer for June 3 says in an editorial: "There are certain changes in Government departments now under consideration in Washington with which farmers should be familiar and which they should strenuously oppose.....All of these departments have a direct bearing on the farming business and are being well operated under the Secretary of Agriculture. Why change them? It may be recalled that another attempt was made some years ago to transfer forestry control to the Department of the Interior resulting in a serious conflict between Federal departments and fairly well founded charges of attempted exploitation of the public domain by private interests. Similar charges are now being made against the present Secretary of the Interior based on the lease to private promoters of oil lands in Wyoming that had been held in reserve for the use of the Navy. Would the Government forest domain receive similar treatment if transferred to the Department of the Interior? The Bureau of Markets, as developed by the Department of Agriculture, is distinctly a farm enterprise, dealing strictly with farm products and assisting producers to reliable market information and inspection. The Department of Commerce seems to hold to the moth-eaten view that producers should think only of production and pay no attention to marketing. This does not suit business farmers. They must follow their products at least part way to the consumer, and the wise business man will wish to see that the farm business is improved because farm prosperity is reflected in all lines. It is highly important that the market work remain where it is, in close touch with the work that has to do with production....."

Section 4

Meetings, Hear-
ings and Visitors

R. J. Baldwin, Director of Michigan Agricultural Extension Service, will be at the Office of Extension Work, States Relations Service, on June 13.

Section 5

MARKET QUOTATIONS

Farm
Products

June 10: Chicago wheat market trade limited; prices held to narrow range and closed irregular. Cash trade inactive with lack of offerings. General export demand slow. Weather and crop conditions continue favorable. Chicago July wheat lower at \$1.14 3/4; Chicago July corn higher at 62 1/8¢. Cash corn easier. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.18; No. 2 hard winter wheat \$1.17; No. 2 mixed corn 60¢; No. 2 yellow corn 61¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in central Iowa 47 1/2¢; No. 1 dark northern wheat in central North Dakota \$1.25 1/2; No. 2 hard winter wheat in central Kansas \$1.12.

Chicago hog prices steady to 10¢ lower than Friday's average, bulk of sales \$10.10 to \$10.80; medium and good beef steers \$8.10 to \$9.15; Butcher cows and heifers \$4.40 to \$8.75; light & medium weight veal calves \$9.50 to \$11.50, fat lambs \$9.00 to \$12.60.

Potato markets steady to firm; Philadelphia slightly weak. South Carolina Cobblers \$7-\$7.50 in leading eastern markets; \$5.50-\$6.50 in Baltimore and Philadelphia. Maine Green Mountains firm most eastern markets at \$1.65-\$2.00. Florida Cantaloupes, standards 45's slow and dull at \$3.25 to \$3.50 in Baltimore. Watermelon markets slightly stronger. Florida Tom Watsons \$300-\$500 bulk per car in New York. Mississippi tomatoes, fours, slow and dull at \$1.10-\$1.50. Georgia peaches, early varieties best stock, \$3-\$4, per 6-basket carrier.

Spot cotton prices up 32 points closing at 22.10¢ per lb. New York July futures up 29 points at 22.31¢.

Weekly Review

Grain prices started weak on liquidation and hedging sales against cash wheat taken on May contracts, but short covering and evening up for Government report later in week produced firmer undertone; prices closed unchanged to fractionally lower. Hay markets slightly weaker. Arrivals of better grades light, causing prices for No. 1 timothy to hold firm. Wheat feeds quiet, market easier. Demand light and indifferent with very little pressure to sell except at Kansas City where market shows some strength after lower quotations, causing a reaction of about 50¢ per ton. The present undertone is firm. Demand and offerings for other feeds light.

Butter markets irregular during week but firm at close. Heavy storage buying although many buyers feel that risk is great at present prices. Holdings in storage have increased over 6 million pounds in the 4 eastern markets since a week ago. Closing prices, 92 score: Chicago 35 1/2¢; Philadelphia and Boston 37¢; New York 36 1/2¢. Cheese markets steady. Trading fairly active but erratic depending upon demand for various styles. Prices at Wisconsin primary markets June 9: Twins 18 1/2¢; Daisies 18 1/4¢; Double Daisies 17 3/4¢; Young Americas 18¢; Longhorns 17 1/2¢; Square Prints 18¢.

Spot cotton prices advanced 166 points during the week. New York July futures up 168 points.

Eastern potato markets advanced rapidly under limited supplies; shipments increased at close of week.--Commercial acreage to-matoes in Mississippi: estimated at 8000 acres as compared with 7400 in 1921.--Onion markets slow and dull.--Cantaloupes, California

Salmon Tints standards 45's generally steady in leading markets at recent range of \$9 to \$12.

Watermelons in carload lots at \$300 to \$500.

Chicago hog prices advanced 10 to 25¢; beef steers up 25 to 35¢; cows and heifers up 15 to 25¢; bulls 25 to 40¢; veal calves \$1.00 stockers and feeders steady to 15¢ higher. Fat lambs down 25 to 75¢. With the exception of beef, eastern wholesale fresh meat prices trended downward. (Prepared by Bu. Mkts. & Crop Est.)

Industrials
and Railroads

Average closing price

June 10

June 9

June 10, 1921.

20 Industrials

93.20

93.60

69.70

20 R.R. stocks

83.25

83.37

68.99

(Wall St. Jour., June 12.)

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Section 1

June 13, 1922.

Secretary Wallace
Doctor of Laws

The press of to-day reports from Ames, Iowa, the conferring of the honorary degree of Doctor of Laws upon Secretary Wallace, by the Iowa State College, on June 12.

Future Trading Act
Legislation

Favorable report on the Capper-Tincher bill to amend the Future Trading Act to meet the recent decision of the Supreme Court declaring sections of that act inoperative was ordered June 12 by the House Agricultural Committee. The measure, which was reported as introduced, is expected to be taken up in the House June 15. (Press, June 13.)

Government Expenses

Expenditures for carrying on the ordinary business of the Government for the current fiscal year will be nearly \$1,700,000,000 less than last year, or approximately \$100,000,000 more than the latest estimate by W. G. Dawes, Director of the Budget, Treasury officials predicted June 12. Expenditures of the Government chargeable against ordinary receipts, exclusive of the principal of the public debt for the fiscal year to date, have amounted to \$3,523,136,678, compared with \$5,138,806,937 for the corresponding period last year, according to the latest daily Treasury statement. (Press, June 13.)

Grain Sale Offer
Made U.S.G.G., Inc.

Organization by the U.S. Grain Growers, Inc., with the assistance of a Chicago millionaire, of a subsidiary for the cooperative marketing of grain was detailed by James K. Mason, vice president of the Grain Growers, in testifying June 10 before the special Senate committee investigating the alleged activities of the U.S. Grain Dealers' Association to prevent cooperative marketing legislation. Mr. Mason said the new subsidiary was known as the United States Grain Growers Sales Department. The Chicago capitalist, who is willing to spend a million dollars in promoting this sales department, was said by Mr. Mason to be Burton F. Hales, a member of the Chicago Board of Trade. Mr. Hales will loan the Grain Growers \$50,000 to be used in obtaining a membership on the Chicago Board of Trade, and will otherwise finance the newly created sales department. (N.Y. Times, June 11 and 13.)

Section 2

Cotton

"On Friday, June 9, October cotton ran up to 22.25 cents a pound. Fifteen cents is the lowest at which that future in this crop has sold; in April its lowest was 16.86, and by the first of June it had reached 19.95 cents. These increases mean nothing less than a belated realization that the supply of cotton this coming year will be small. The market may yet be called upon to see that a crisis in the raw material situation is in the making...What seemed like a mountain of old cotton a year ago is vanishing. All the cotton raised last year was used up two months ago, and the reserve is being cut into. By the end of July it should be down to 4,500,000 bales of American grown. World needs will call for 13,000,000 bales, besides a carryover larger than what will be on hand this year. The acreage of last year was 31,500,000. Estimates this year range from 2 to 8 per cent more. The largest estimate would mean 34,500,000 acres. In the five years ending with 1920 the average yield per acre was 163 pounds. An average yield on that acreage would not amount to a year's consumption." (Wall St. Jour., June 12.)

Foreign Trade

"Volume of a Country's International Trade" is the title of an article by Herbert Feis, in The American Economic Review for June, which says in part: "A country in which a few important industries possessed unusual advantages in production as compared, firstly, with the advantages of the rest of the world in the same direction and, secondly, with the other industries within the country, should carry on a heavy import and export commerce. Certain tropical countries are probably in that condition. They are endowed by nature with certain natural resources, which enable them to excel the world greatly in the production of a few commodities. On the other hand, the effectiveness of production in general in those countries is low. Thus real wages and also money wages in those countries are very low, and form only a comparatively small obstacle of expense to the export industries, which can therefore offer their products at low price. The volume of such a country's exports and imports will be greater than it would be if the conditions described were not present. In this respect a country like the United States is in the opposite position. Here labor is applied effectively in a great many fields. There is probably no great difference of effectiveness between labor in the export industries and in many other industries. As a result the difference in comparative advantage between the export industries and other industries is smaller than it would be otherwise. This influence upon the volume of international trade of a country may be summarized by saying that the volume will be the greater, the more unique and decided the advantages possessed by export industries (those which have the greatest comparative advantage, or smallest disadvantage) in each and any country over all other industries in the same country."

Freight Rates

The Indiana Farmer's Guide for June 10 says: "The place where farmers will make their greatest saving because of the new rates is on the coal, lumber, and other commodities they buy co-operatively and in the mail order goods bought and on which they have to directly pay the freight. But taken as a whole, the reduction is considerable of a disappointment."

Future Trading Act

The Price Current-Grain Reporter for June 7 says in an editorial entitled "The Agricultural Bloc Mind": "The failure of the Capper-Tincher act has made it necessary for those two worthies, and their 'next friend,' the Secretary of Agriculture, to take a new tack in their purpose to destroy the right of contract in the grain business. What they could not destroy by abuse of the evil magic of 'tax,' the use of which in that way, as Chief Justice Taft truly said, 'would be to break down all constitutional limits on the power of Congress and completely wipe out the sovereignty of states,' they now purpose to do by abuse of control over the mails and by means of the commerce clause of the Constitution, which has already been made the prop of many reform fads and freaks of legislation brought forward by pseudo-statesmen like Capper, Tincher and LaFollette, et omne genus. The model of the new bill was the Packer-Stockyards Act, which has had the O.K. of the Court. The latter may seem to imply by its decisions that almost anything Congress may see fit to enact, however atrocious, which can be interpreted by any stretch of the imagination to be, a regulation of 'commerce between the States and with Indian tribes' must stand. The Court has in the past repeatedly held that future contracts made on the commodity exchanges are not interstate commerce; but Senator Capper contends that 'if the transactions on the exchanges result in and directly cause obstruction to, or burdens upon, interstate commerce, Congress may act to such extent as may be necessary to remove such obstruction or burden.' Mr. Capper, the Secretary of Agriculture, and the Agricultural Bloc in general, assume in their own minds that freedom of contract in the grain business does impede commerce in grain; therefore such freedom of contract must be withdrawn. The reasoning is: the more difficult it is made for men to do business in grain, the more will commerce be stimulated and promoted. Of such is the agricultural statesman's mind."

Packer-Stock- yards Act

The Southern Planter for June 1 says in an editorial: "Under the Packer-Stockyards Act, the Secretary of Agriculture has the authority to suspend any rules, regulations or practices at the stockyards which he deems unfair or inimical to the shippers. His first opportunity to exercise this control came recently when the Indianapolis stockyards advanced the price of corn fed to live stock from \$1.10 per bushel to \$1.30 per bushel. Although corn has advanced slightly, it being worth from 42c to 45c per bushel, Secretary Wallace declined to permit this advance of 20c per bushel as the rise in price did not warrant it, in his judgment. Of course, the stockyards folk entered an appeal and the case is now pending but the corn-belt stockmen feel that the Secretary was about right and entertain no fears of his being overruled by the courts. This Packer-Stockyards Act will eventually be worth millions of dollars to live-stock shippers simply in correcting such abuses as cited. And this item will prove insignificant when the greater benefits are considered."

Prices

"At the request of the Farm Bureau Federation, George N. Peek and Hugh S. Johnson, have prepared an interesting brief, entitled 'Equality for Agriculture.' It is being distributed by the Moline Plow Company.....There is something new in the brief, that is, it is new for agriculture. For many years, Americans visiting abroad have been shocked to find that they could purchase American goods

cheaper in Europe than in America. The reply of our manufacturers to the protests these findings produced has been invariably that only by selling at a loss the exportable surplus has it been possible to maintain factory organizations going; and that such a policy has really kept down the prices for the home consumers. There may or may not be any basis for this contention; but, in any event, no one has seemed hitherto to have thought of applying this plan to agriculture. Yet, at first blush, it appears to be more logical for agriculture than for industry.,.,.,The plan suggested by Messrs. Peek and Johnson is to have some central agency, either for the country as a whole or for some large producing area, to purchase all the crop of any staple at a fair exchange value. This agency, its proponents say, 'would maintain prices at fair exchange value by simply withholding sales below fair exchange value, and it would be limited in its power to control price by requiring it to sell freely on the domestic market at fair exchange value or above.' Whatever surplus remains after the domestic needs are supplied and a moderate reserve set aside for a possible crop shortage is to be sold at the best price obtainable in foreign markets; and whatever loss is incident to such foreign sales must be apportioned among the producers. An interesting feature of the brief deals with a summary dismissal of the economically unsound idea that prices may be arbitrarily fixed. The authors suggest the adoption of some ratio between the price of wheat or corn or other commodity and the general price average of all commodities that form part of the list used in computing price indexes. This method, they say, 'is merely a means for expressing a pure economic relation of values and preserving it from the subversive and disturbing influences of such artificial invasions of economic law as the tariff, pooled foreign buying, Government wage-fixing, industrial and commercial combinations and the like.'

Production and
Profit

The Michigan Farmer for June 3 says in an editorial: "When we read statistics we soon come to the realization that what is called the average is pretty low. When we consider the average yield of corn, wheat and other crops, the average production of the dairy cow and the average losses from pests and diseases as well as the average income from the farm it makes one wonder how some folks get along. Take, for instance, the average yield of corn, 26.6 bushels per acre, this would produce an actual loss on the crop, even in a high-priced year. Then compare this average with the eighty and the hundred-bushel yields that are produced by those who make a business of growing corn. If it takes a little more than the average yield to cover the average cost of production, one can readily see that it is the average plus the fifty, sixty or seventy bushels which spells success. It's the plus that brings the profit. It may cost a little more to grow the big crops, but besides growing larger crops, these plus men grow better crops, and therefore, because of the quality, they often get a better price per bushel. The few added cents in cost and care means added dollars in profits."

Russian
Trade 1

"It would not be surprising if Secretary Hoover's recent summarization of conditions in Russia were directed primarily as a warning to those of little faith as regards this country's policy of non-recognition of the Soviet Government." (N.Y. Times, June 13.)

Russian
Trade

2

Wallaces' Farmer for June 9 says in an editorial on "Russia's Return": "One of the most significant facts in the world to-day is Russia's bankruptcy. For the time being, she has lost her ability to grow grain, run railroads or manufacture goods. Her farmers are perhaps producing on a scale one-half to two-thirds as great as before the war, but the Russian railroads and factories seem to be only about one-tenth as efficient. This situation not only concerns England, France and Germany, who formerly sent Russia millions of dollars of manufactured products in exchange for millions of bushels of wheat, but also the American farmer. Before the war, the great manufacturing nations of western Europe customarily consumed about 100,000,000 bushels of Russian wheat. But for seven years now, Russia has been almost altogether out of the grain world market, and, in fact, during the past year or two, has imported more grain than she has exported. That is the reason why wheat is selling closer to cost of production in the United States than other grains. This situation will not continue indefinitely.A British agricultural expert, basing his opinion on the situation as it existed in March of this year, states that no exports of grain at all may be expected from Russia until after 1927. In fact, he thinks it very likely that Russia will export no grain until after 1929.....From one standpoint, this situation is reassuring to the American farmer. It means that for several years yet we can continue to grow larger wheat crops than we did before the war. It also means, however, that Great Britain will not be quite so able to buy our hog products and cotton....We trust that during the next year the Department of Agriculture and the Department of Commerce will continually keep us informed concerning the state of agriculture in Russia. When will she begin again to export grain on a large scale?"

St.Lawrence
Waterway

Commenting upon Canada's refusal for the time being to negotiate with the United States on the St.Lawrence waterway, Wallaces' Farmer for June 9 says in an editorial: "Of course it may be that the St. Lawrence waterway is not as practical as many people think. It will only operate for six months of the year, and even during the summer it may not be practical for the larger ocean vessels to make the slow journey up the St. Lawrence and through the locks to such ports as Chicago or Duluth. The best testimonial to the practicability of the scheme is the determined opposition of New York and Montreal."

Tariff

A dispatch from Ottawa to the Commercial and Financial Chronicle for June 10 says: "The relatively slight alterations indicated in Canada's protective tariff by the recent budget speech of the Minister of Finance apparently have caused a greater ripple in the United States than in Canada. Far-fetched interpretations, such as the charge that the Canadian Government has played the game of retaliation as a consequence of the Fordney Bill, have been quoted in the Canadian papers from American sources and nearly always have been repudiated as being aside from the intentions of the Canadian administration. As a matter of fact, the barriers against import into the Dominion remain substantially where they were. The Liberal Party, now in power, virtually controlled by Quebec Province members, has run up the protectionist flag as high as ever did a Conservative administration."

Section 3

MEETINGS, HEARINGS AND VISITORS

A meeting of the Library staff of the department will be held on Friday afternoon, June 16, promptly at 3.30, in the Reading Room of the Main Library. The subject to be discussed is "Translating Work in the Department."

Section 4

MARKET QUOTATIONS

Farm Products

June 12: Buying support lacking in Chicago wheat market and prices broke sharply under general selling. Crop news generally favorable. Fair export demand. Cash prices declined with futures. Visible supply of wheat 25,808,000 bu., an increase of 533,000 bu. for week. Chicago July wheat lower at \$1.09 3/4; Chicago July corn lower at 61¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.13; No. 2 hard winter wheat \$1.12; No. 2 mixed corn 60¢; No. 2 yellow corn 60¢; No. 3 white oats 35 1/4¢. Average farm prices: No. 2 mixed corn in Central Iowa 47¢.

Chicago hog prices closed fairly active with lights mostly 10¢ to 15¢ lower; others 15 to 20¢ lower than Saturday's average, bulk of sales \$10.00 to \$10.85; medium and good beef steers \$8.00 to \$9.60; butcher cows and heifers weak to 25¢ at \$4.25 to \$6.60; inbetween grades declining most; bulls and stockers steady to weak; veal calves mostly 50¢ lower at \$9.00 to \$11.25; fat lambs \$9.00 to \$12.60.

Potato markets slightly weaker. Virginia Irish Cobblers No. 1, \$6.50 to \$7.50 per bbl. in eastern cities. Carolina Cobblers down 25¢ to 50¢ at \$6 to \$7 in leading wholesale markets. Texas, Louisiana and Alabama sacked Bliss Triumphs weaker in mid west markets at \$2.75 to \$3.75 per 100 lbs. California Cantaloupes, Salmon Tints, standards 45's firm in eastern markets at \$8 to \$12, slightly weaker in the middlewest at \$7.50 to \$8. Florida stock \$2.50 to \$4 per crate eastern markets. Georgia peaches, early varieties best stock, sixes, and bu. hampers firm in most consuming centers at \$3 to \$3.75. Carman's and Early Rose \$2.25 to \$2.50 f.o.b. shipping points. Watermelon markets generally firm. Florida Tom Watsons, medium sizes, \$450 to \$550, bulk per car New York and Chicago, strong Philadelphia \$500 to \$700, weaker Pittsburgh \$375 to \$410.

Receipts of hay continue to increase at the various markets, causing the market to weaken, especially for the lower grades. Wheatfeed market dull and inactive; offerings for future shipments of wheat feeds not pressing.

Butter markets firm. Considerable buying for storage taking place. Receipts at markets heavy and reports indicate some increase in production. Cheese markets steady. Trading fairly active but price changes have been erratic depending upon demand for various styles.

Spot cotton down 51 points, closing at 21.59¢ per lb. New York July futures down 68 points, closing at 21.63¢. (Prepared by the Bu. Mrk'ts & Crop Est.)

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June 14, 1922.

Agricultural Loan
Asked

President Harding asked Congress June 13 for an appropriation of \$50,000 to enable the Secretary of Agriculture to collect money due the United States on account of loans made to farmers in the drought-stricken sections of the Northwest under the seed-grain loan acts of March 3, 1921, and March 20, 1922. (Cong. Rec., June 14.)

Tariff and Bonus
Legislation

Senate Republican leaders who are opposed to the plan of Chairman McCumber of the Finance Committee to sidetrack the Tariff bill for the soldiers' bonus measure have the support of President Harding. The Executive, it was stated officially June 13 at the White House, regarded tariff legislation as most important and worthy of the undivided attention of the Senate. (Press, June 14.)

Ship Subsidy Bill

Chairman Campbell, of the House Rules Committee, June 13 made public a letter from President Harding under date of May 26, in which he said that if Congress failed to take up the Ship Subsidy bill prior to adjournment he would feel obligated to call Congress in special session at once to especially consider it. (Press, June 14.)

Muscle Shoals Legis-
lation

Prospects for early action by the House on proposed legislation for development of the Government's projects at Muscle Shoals, were brightened June 13 by authoritative announcement from the White House that administration officials were willing and anxious for House leaders to act on the matter with a free hand. (Press, June 14.)

War Finance
Corporation

Fred Starek, of the District of Columbia, was nominated and confirmed as a director of the War Finance Corporation, June 12. (Cong. Rec., June 12.)

Section 2

Agricultural
Commission's
Report

1 Chairman Sydney Anderson, of the Congressional Joint Commission of Agricultural Inquiry, June 12, issued a statement on the section of the forthcoming report of the commission relating to costs and profits of farm products. Bread is held up by the commission as a striking example of what happens to the farmer's product. Chairman Anderson said: "Our inquiry reveals the fact that about 50 cents out of each dollar the consumer pays for bread is absorbed in the cost of distribution, while the farmer receives only 29.6 cents in the local market for the wheat needed to produce the loaves delivered. This statement is based on average figures for 1913, 1916 and 1921. In 1913 the entire production cost was 44 cents and the distribution cost 56 cents.....A considerable factor in the baker's cost of distribution is the service element. However, it seems possible that greater efficiency can be developed which will tend to reduce the manufacturing baker's selling cost and overhead and the retail dealer's operating expense. Our inquiry does not indicate that the manufacturing baker has exacted an undue profit in taking the 5.3 cents from the consumer's dollar for manufacturing bread and distributing it to the retailer. It would appear, however, that the retailer's operating expense of 15 cents and the baker's average selling expense of 15.76 cents out of the dollar the consumer pays for bread should be reduced by improvement of method....."

2

Chairman Sydney Anderson, of the Congressional Joint Commission of Agricultural Inquiry, issues a statement to-day on the section of the forthcoming report of the commission which will deal with distribution. Mr. Anderson says: "A study of the charts and figures containing the information brought out by our inquiry indicates that during the period of rising prices which we have had under consideration,--that is, 1913 to 1921 inclusive, the percentage of margin for operating expense and profit which the retailer took from the dollar paid by the consumer did not increase. In other words, if the proportion of the consumer's dollar the retailer paid for merchandise in 1913 was 70 cents and operating expense and profit 30 cents, the same ratio was retained during the period of 1913 to 1921. In some instances the percentage of margin was reduced. However, the relation between operating expense and profit changed considerably during the period. As operating expenses advanced, profits reduced.....Our report will show", said Chairman Anderson, "that clothing retailers took their largest profit from the consumer's dollar in 1913. From 1916 through 1921 the margin steadily decreased, except in 1919 when heavy sales temporarily reduced the ratio of expense to sales, resulting in a lower cost of operation for each dollar's worth of merchandise sold and a consequent increase in profit. In 1921 the industry showed a trade profit of 1.3 cents per dollar of sales. The report will show that the average profit of clothing retailers during the entire period, 1913 to 1921, was 6.10 cents per dollar of sales. The hardware profits for the same period averaged 5.35, with 8.3 cents per dollar of sales as the peak in 1916. In the retail shoe trade, average profits for the entire period 1913-1921 were 6.17 cents per consumer's dollar. The high profit mark was reached in 1919 when the average profit was 9.36 cents. Retail dry goods profits

averaged 5.3 cents over the same period and were highest in 1916 when they averaged 7.3 cents per dollar."

The Joint Commission's report will recommend that retailers cooperate more closely with community organizations whose purpose it is to improve social, civic, commercial and industrial condition. "In agricultural communities," the Chairman said, "The retailers should maintain contact with farm-bureau demonstrators, agricultural colleges, and workers, with a view to assisting in activities that tend to improve production, marketing, transportation, and social conditions on the farm. In cooperating with such organizations he is constructively creating greater opportunity for his own success. The report will emphasize the commission's belief that the more consumers concentrate purchases in their community, the lower will be the operating expense of local dealers, and that the consumers will be benefited thereby through the lower prices made possible by lower selling expense." (Press statement, June 14.)

Agriculture in Britain

At a recent meeting of the Council of Agriculture for England, Sir Arthur Griffith-Boscawen, Minister of Agriculture, made a statement on the agricultural situation since December last. He referred first to the depression in agricultural prices which had come upon the industry with appalling suddenness. Farmers had, in consequence, been in great difficulties, and landlords had been unable to come to their assistance. Since January last, however, there had been signs of improvement. The help which had been given when things were really at their worst by the payments in lieu of guaranteed prices had certainly come at an opportune time. Of the 187,000 total claims, 150,000, or 95 per cent of the claims made up to 18th July, 1921, were paid on 1st January last. Over 5,000 more were paid in the first week of January, and nearly all the remaining claims had been paid by the end of January. With regard to the question of wages, the Minister said the farmer could not possibly continue to pay the wages which he was paying a year ago in the face of a 50 per cent decline in prices. The necessary reductions had been carried out through the Agricultural Conciliation Committees, generally, he was glad to say, in a spirit of goodwill and with very few disputes. There were 61 Conciliation Committees in England and Wales in place of 39 old District Wages Committees; 54 of these had made agreements, of which 44 were now current. Most of the agreements were for long periods." (Jour. of the (British) Ministry of Agriculture, June.)

Danish Cooperatives

Danish cooperatives continue to prosper despite the economic depression in European countries. The great Danish Cooperative Bank of Copenhagen shows a net profit for 1921 of over \$800,000, or 33 per cent more than the previous year, according to the All-American Cooperative Commission of Cleveland which has just received the report of the Danish cooperators. After paying 5 per cent interest on capital, the bank placed almost \$325,000 in its reserve fund and left the balance of its earnings to be distributed to its depositors and customers on a cooperative basis. The Danish Cooperative Wholesale Society, composed of 1,800 local cooperatives with nearly 350,000 members, increased their sales from, roughly, \$42,000,000 in 1919 and \$65,000,000 in 1920 to \$67,000,000 in 1921, and this despite industrial depression, unemployment, and fierce competition by private interests. (I.A.A. News Letter, June 8.)

Fig Culture in California

"Fig King's Vision" is the title of an article in The New York Times for June 11, which describes the efforts of J.C. Forkner, of Fresno, for the development of the fig industry in California. The article says: "Mr. Forkner predicts that a few generations hence California, which is so wonderfully adapted to fig growing, will replace Mesopotamia as the greatest fig-growing area in the world, and will enjoy some day the same great prestige that that ancient country did at the height of its fig industry. Already he has planted 12,000 acres of fig trees, half as many as were planted in the whole of Smyrna in 2,000 years and twice as many trees as have been planted any where in the last fifty years."

Freight Rates in Virginia Reduced

Virginia railroads have agreed to a straight 10 per cent reduction on freights of all sorts on and after July 1. This order was entered June 12, when the representatives of all the roads had a conference with Maj. Forward of the State corporation commission, on the Chesapeake and Ohio, the Norfolk and Western and the Richmond, Fredericksburg and Potomac. This will leave the rates about 12 per cent higher than the prewar rates, while the Southern, the Seaboard and the Atlantic Coast Line will be about 14 per cent above the rates prior to the war. (Richmond dispatch, ^{to} Press, June 12.)

French Government Personnel Reduction

The Bankers Trust Company, New York, says to-day: "The French Government is continuing to cut down the number of officials and employees in the various ministries and Government departments. The 1922 budget, when voted, contained a clause stipulating that the French civil service should be reduced by 50,000 units during the year. Twenty-nine departments are included and the total reduction of personnel recommended is 51,967 persons."

Milk Marketing in Chicago

"The contract drawn up by the Committee of Nine for the reorganization of the milk producers in the Chicago territory is the most ingenious and just solution of the farmers' milk problem in the United States. It is good in every essential. It is a model." This is the opinion of Aaron Sapiro, cooperative marketing expert on the contract upon which the reorganization campaign in the Chicago milk district will be based. Mr. Sapiro said, further: "One of the wisest provisions of the contract is that 6,000 contracts, representing about 75 per cent of the producers of the district, must be signed before the associations starts business, for the entire metropolitan area must be organized if the association is to succeed. The producers on the outer edge can send in enough milk to make the price for the entire district. One of the local conditions in the Chicago district is the fact that the 27 Illinois, Indiana and Wisconsin counties within the metropolitan area produce about 10,000,000 pounds of milk daily, while the Chicago consumption of fluid milk amounts to only about 2,500,000 pounds daily, or about one-fourth of the amount produced. This means that the sale of milk for cheese, butter and other bi-product purposes must enter into all plans for a marketing company. The contract makes ample provision for this phase of the situation by equalizing the price over the entire district to all sorts of shippers." (I.A.A. News Letter, June 8)

Section 3

MEETINGS, HEARINGS AND VISITORS

The District of Columbia Chapter of the American Farm Economic Association will hold its next meeting on Thursday afternoon, June 15, at 3:40, in the conference room (411) of the Bieber Building. Hon. Sydney Anderson will speak on the relation of transportation to the distribution of agricultural products. Mr. Julius H. Parmelee, of the Bureau of Railway Economics, will also speak. The department staff is invited to attend.

Section 4

MARKET QUOTATIONS

Farm Products

June 13: Chicago wheat market unsettled, closed fractionally changed. Crop reports favorable particularly from Canadian provinces. Liverpool lower and United Kingdom resold some winters and Manitobas at seaboard. Chicago July wheat higher at \$1.10 1/4; Chicago July corn lower at 60 5/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.14; No. 2 hard winter wheat \$1.14; No. 3 white oats 34 1/2¢. Average farm prices: No. 2 hard winter wheat in central Kansas \$1.05; No. 1 dark northern wheat in central North Dakota \$1.21 1/2; No. 2 mixed corn in central Iowa 47¢.

Chicago hog prices closed active, steady to 5¢ lower than Monday's average, bulk of sales \$10.00 to \$10.60; medium and good beef steers \$8.00 to \$9.10; butcher cows and heifers generally steady at \$4.25 to \$8.60; veal calves 25¢ lower at \$6.00 to \$8.00; spring lambs mostly 50¢ lower at \$12.50 to \$14.00.

Potato markets weaker. Carolina Irish Cobblers No. 1, down 50¢ to \$1 at \$5.50 to \$6.50 per bb. Virginia Cobblers show similar decline in eastern cities at \$6 to \$7.25. Chicago higher at \$7.25 to \$7.50. Texas, Alabama and Louisiana sacked Bliss Triumphs steady in mid western markets at \$2.75 to \$4.00 per 100 lbs. Watermelon markets generally steady to firm. Florida Tom Watsons, medium sizes ranged \$400 to \$600 bulk per car. Down \$100 to \$200 in Philadelphia at \$400 to \$500. Single melons in Boston slightly weaker at 30 to 60¢. Peaches firm for good stock, Georgia early varieties ranging \$3 to \$4.50 per 6-basket carrier in leading city markets. Firm in producing sections at \$2.25 to \$2.75 f.o.b. California Salmon Tints cantaloupes standards 45's slightly weaker in middlewestern markets at \$7.50 to \$8.50. New York nearly steady at \$9 to \$10. Mississippi green and turning wrapped tomatoes in 4-basket carriers weak in eastern markets at \$1 to \$1.50, quoted in Chicago at \$2.75 to \$3.

Spot cotton up 22 points, closing at 21.81¢. New York July futures up 24 points, closing at 21.87¢. (Prepared by Bu. Mkt's. & Crop Est.)

Industrials and
Railroads

Average closing price	June 13	June 12	June 13, 1921
20 Industrials	92.04	90.73	70.05
20 R.R. stocks	82.76	81.81	69.69

(Wall St. Jour., June 14.)

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 64.

Section 1.

June 15, 1922.

The Futures Bill

House Republican leaders have summoned absentee members of the Rules Committee to return to Washington for a meeting of the committee next Monday on a rule setting aside next Tuesday for consideration of the Capper-Tincher bill, to supplement the Future Trading Act. Representative Tincher said June 14 he is confident the bill will be passed by the House Tuesday. The majority report on the bill emphasizes the large volume of 'options' and 'futures' upon grain exchanges, and declares they 'are extremely susceptible of speculation, manipulation and control.' A minority report declared adequate hearings had not been granted, and asserted the bill would be ineffective to bring about Federal control. (Press, June 15.)

Packer Decrees
Change Fought

Opposing the motion of the California Cooperative Canneries to vacate or modify the packers' consent decree of 1920, divorcing the packing business from the so-called unallied businesses, Gudahy & Co. and Morris & Co. filed briefs before Justice Bailey in the District of Columbia Supreme Court June 14, declaring they did not desire to return to the wholesale grocery business. Justice Bailey took the canneries' petition under advisement and ordered final briefs filed. Opposition to any change in the decree was also opposed by the American Wholesale Grocers' Association and the National Wholesale Grocers' Association. The California Canneries questioned the jurisdiction of the Court in declaring the decree on the grounds that the canneries had not had opportunity to present their side of the question when the decree was granted. The canneries declared their business had been reduced several million dollars through loss of use of the distribution facilities of the packers, through whom they marketed. They asked modification of the decree that these facilities be restored them and claimed they had had a contract until 1929 with Armour & Co. for part of their product and that the Government had aided in the abrogation of this contract through the decree. (Press, June 15.)

Ford Offer
Assailed

Charles H. MacDowell, president of the National Fertilizer Association, June 14 told delegates assembled at White Sulphur Springs, West Va., for the Twenty-ninth annual convention of the organization that Henry Ford, in his proposal for the purchase of Muscle Shoals, is asking the Government to lend \$40,000,000 or \$50,000,000 for 100 years at a low rate of interest in order that he may buy from the Government for \$5,000,000 property worth \$16,000,000 for the purpose of manufacturing 40,000 tons of nitrogen in a form now over-produced and largely exported. (N.Y. Times, Ju. 15)

Section 2.

Agricultural
Financing

1. The War Finance Corporation announces that from June 5, to June 10, 1922, inclusive, it approved 42 advances, aggregating \$1,008,000, for agricultural and live-stock purposes in 15 States. (W.F.C. press statement, June 12.)
2. "Wall Street Farmers" is the title of an editorial in The Journal of Commerce for June 14, which says in part: "Evolution, it is said, always produces organisms and institutions that are suitable to meet the requirements of environment. Thus new types are developed and hereditary qualities modified. One of the newly evolved forms of financial life is the Wall Street farmer, of whom there are already some two or three well developed examples. Mr. Eugene Meyer, the head of the War Finance Corporation, in an address before the Associated Advertising Clubs, offers one of the most complete farm gospels that has yet been disseminated. According to him, the 'collapse of 1920' was due to reduction in agricultural prices. Why? Because the farmer is 'the most essential cog in the driving wheel of the American business machine.' So Mr. Meyer goes on to exalt the horn of the farmer by showing that he is an enormous borrower at the banks, the greatest buyer of all sorts of goods, so that consequently when he ceased to purchase, things simply went to destruction. The trouble with the farmer, he thinks, is that we have forced agriculture to adapt itself to banking practices instead of adapting banking to agriculture. A good while ago we 'imported from countries which are chiefly commercial and industrial rather than agricultural' a good many 'banking practices' which the farmer does not like. These need to be remedied. 'Adequate credit' must be furnished, and one way to furnish it is, according to Mr. Meyer, to bring into the Federal Reserve system as many of the small State institutions as possible, then lengthen paper maturities considerably, and so compel the Reserve system to 'carry' the farmer. Agriculture, he remarks rather sententiously, is 'entitled to the best banking facilities.' No doubt this is true -- and it is also true that those who own the money and the banks that dispense it are entitled to the best protection for their savings. What Mr. Meyer's proposal comes to is this: There are a good many large city banks in the country who provide the reserves in the Federal Reserve system. Now draw in all the smaller and weaker banks that can be reached and let them have funds as cheaply as possible, on long maturities, relending these funds to the stock raiser and farmer whose capital is insufficient. Then we shall have an adequate banking system and the kind of subsidy which the War Finance Corporation has furnished out of the public treasury will be afforded by the banks of the cities. ... Our banking system is either a strong liquid reservoir of funds always available or it is merely a sham. A group of weak 'tied up' banks is little likely to be stronger than such banks individually. The drawing into the system of weak institutions of small capital does not strengthen the system. When to such a proposal is added a plan whereby these weak banks may absorb almost ad libitum the funds of the stronger banks a situation is created whose potential danger can hardly be exaggerated. Evidently the management of our banking system can not be safely left to Wall Street farmers any more than to dirt farmers. It must be operated in the interest of the people as a whole."

Bacon for
British
Market

"In a recent issue The National Provisioner called attention to the situation confronting American bacon in British markets where by Danish bacon was winning an advantage both in price and favor over that from the United States. This was due to an unjust prejudice aroused in the minds of the consuming public because of the inefficient and unfair methods of the British Ministry of Food in 1919 and thereafter. The bacon situation has now reached a point where the demand in England for Danish bacon is far in excess of the supply, regardless of the difference in price. Some action is necessary, therefore, to remedy the prejudice against American bacon. ... At present, on account of the shortage in Danish bacon supplies, the British consumer is paying a very high price for bacon no better than American bacon. Yet at this time American bacon, since it is not being interfered with by an inefficient Government department, reaches the market in as good condition as before the war. But there are very definite signs that the British public is setting its face against these high prices. This should give the American bacon trade a chance to take advantage of the present situation to push their business, both for their own advantage and that of the British consumer. The direct line of action would seem to be to point out to British consumers that American bacon is as good as any in the world, and to tell the meat dealers of Britain that American packers are to-day in the best possible position to cater to the British market, and are anxious to do so." (Nat'l Prov., June 10.)

Filled Milk
Legislation

An editorial in The Breeder's Gazette for June 8 says: "The Voigt bill, which has just passed the House and gone over to the Senate, approaches the matter in an unconstitutional fashion. It is class legislation, pure and simple. It forbids, under severe penalties, either the manufacture or sale of so-called filled milk, which it defines as 'any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, so that the resulting product is in imitation or semblance of milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated.' Personally we do not want any such mixtures, and there are few who would knowingly buy such blends in preference to a pure dairy product, if the label upon the package told the truth. The right way to get at this matter is to compel these goods to be sold under proper branding as to contents. Any other course is indefensible. If a food product is deleterious to public health, that is another story. Then its manufacture and sale should be forbidden under the exercise of the police power inherent in all sovereignties. Might does not make right. The mere fact that an interest had the power to put this bill through the House does not prove anything one way or the other, except that some people are narrow enough to be willing to do anything, right or wrong, if it will only serve their own purposes. Such legislation is vicious in principle, and, carried to its logical conclusion, would cut the heart out of all human progress. We believe that 'filled cheese' was put out of business by resort to the taxing power. That is an effective, although a questionable, use of such power, because it accomplishes by indirection what could not legally be done direct."

Grain
Marketing

Details of all arrangements for marketing grain of more than 60,000 members of the U.S. Grain Growers, Inc., have been agreed upon and announcement of the consummation of the necessary legal procedure and opening of offices on some terminal grain markets may be expected momentarily, according to a statement issued by the officers of the U.S.G.G., Inc., June 12. A terminal marketing organization which will be able to condition and grade up shipments of grain received and a terminal sales company, holding memberships on principal grain exchanges, constitute the basis of the selling arrangements. Farmers' elevators will be given the first opportunity to buy the voting and interest-bearing stock in the sales organization.

Ship Subsidy

Chicago Journal of Commerce for June 13 says in an editorial: "Enthusiastic expressions are going out of the Middle West and other parts of the interior of the country in support of the bill for governmental aid in placing American shipping on a firm basis and developing it to adequate proportions. It is no longer the custom here to rave and rant against proposals to subsidize ships. It is no longer popular to shout sinking of the great fleet of vessels owned by the Shipping Board as the solution of the problem which these ships have presented, those who seriously advocated this preposterous course little understanding that the idleness of these vessels was no inherent fault but due entirely to foreign trade depression, which caused ships of other nationalities also to be tied up by the thousands in their home ports. It is no longer popular either to argue that it is better to let foreign ships carry and bring our cargoes and allege that Americans are not a seafaring class. All through the interior of the country instead there has been a great awakening to the advantages which will lie in a merchant marine that will be worthy of this great Nation. The truth has come to be recognized that greater benefit is derived in foreign trade when dependence is not altogether on alien transportation. Not only is the profit from such transportation kept at home if there are American vessels for the purpose but in addition there is the incalculable advantage of more sympathetic and generally better handling of the goods and more advantageous treatment of the trade through the personal intercourse it affords with the peoples of the various countries being served."

Section 3.Department of
Agriculture

In a comprehensive article, in The Economic World, June 10, dealing with the spread of the boll weevil over the cotton producing area of the United States, 1892-1922, James L. Watkins says: "As soon as the weevil began destroying the crops in Texas (1896), the Government sent its expert entomologists into the infested fields to study the insect, and, if possible, to devise some means to get rid of it. At that time little or nothing was known of its life or habits, and it took some years to find out that it was the most unconquerable enemy known to agriculture. When this was ascertained the Government lost no time and spared no means in its efforts to eradicate the pest. The best equipped talent of the Department of Agriculture was employed, field stations were established, and experimental farms were operated to study the life and habits of the

weevil; and it is not too much to say that no Government in the world has devoted so much scientific research, so much time and money, to the solution of any problem affecting its agricultural prosperity."

Section 4.
MARKET QUOTATIONS.

Farm Products

June 14: Chicago wheat market strong and active on reports of premature ripening of winter wheat in parts of Kansas and Oklahoma and general short covering. Export demand slow for winter wheat. Cash market offerings small. Chicago July wheat higher at \$1.12 1/4; Chicago July corn higher at 62 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.16; No. 2 hard winter wheat \$1.15; No. 2 mixed corn 61¢; No. 2 yellow corn 62¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in central Iowa 48¢; No. 1 dark northern wheat in central North Dakota \$1.20 1/2; No. 2 hard winter wheat in central Kansas \$1.05.

Chicago hog prices closed weak about steady with Tuesday's average, bulk of sales \$10.00 to \$10.70; medium and good beef steers at \$8.00 to \$9.20, better grades strong to 10¢ higher; butcher cows and heifers about steady at \$4.25 to \$8.60; light and medium weight veal calves 50 to 75¢ lower at \$8.25 to \$10.50; stockers steady. Spring lambs closed 25¢ lower at \$12.00 to \$13.50.

Potato markets weaker. Carolina Irish cobbles down 50¢ at \$5 to \$6 per bbl. leading cities, ranging \$4.25 to \$5.25 in Philadelphia and Baltimore. Virginia Eastern Shore Irish Cobblers down 50¢ in leading eastern markets at \$5.50 to \$6.50. Boston steady at \$7 to \$7.25. Cantaloupe markets generally steady. California Salmon Tints standards 45's \$7.50 to \$9 in eastern markets, weak at \$2.25 f.o.b. shipping points. Georgia stock firm New York \$3.50 to \$4. Peach markets slow and weak for most Georgia early varieties. Watermelon markets generally weaker. Florida Tom Watsons medium sizes \$350 to \$500 bulk per car most eastern markets.

Hay market continues weak and inclined to work lower. Demand for best grades only. Arrivals principally of low and off-grade hay. Wheatfeed market continues dull and inactive. More pressure to sell by both mills and jobbers. Country demand dull. Price tendency lower. Cottonseed and linseed meal very dull, offerings light.

Butter markets firm at close although irregular during week, at which times only fanciest goods moved readily. Production appears to be increasing. Cheese markets steady. Trading quite active with sales reaching good volume. No speculative interest as yet.

Spot cotton down 6 points, closing at 21.75¢ per lb. New York July futures down 9 points at 21.78¢. (Prepared by Bureau of Markets and Crop Estimates.)

Industrials and Railroads	Average closing price	June 14	June 13	June 14, 1921
	20 Industrials	93.08	92.04	69.00
	20 R.R. stocks	83.09	82.76	69.64

(Wall St. Jour., June 15.)

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 65.

Section 1.

June 16, 1922.

Arkansas Farmers

Appeal to President

President Harding has been appealed to by Arkansas farmers to assist them in their efforts to resist further bond issues for road building which, they declare, will mean the confiscation of their farms. In a petition signed by over 200 taxpayers of Road District 5, in Conway County, the majority of whom own farms of less than 100 acres, the President is urged to use his influence to stop a proposed Federal allotment of \$50,000, which, it is stated, will make possible another bond issue that must be paid for by taxing the community. The President was informed that in many cases taxes have been levied equal to the assessed valuation of the property and that the extra bond issue will result in more small properties being confiscated for inability to pay taxes. (N.Y. Times, June 16.)

Agricultural
Legislation

The House Committee on Agriculture June 15 asked the Rules Committee to give the Capper-Tincher grain futures trading bill and the migratory bird bill a privileged status. (Press, June 16.)

Muscle Shoals

The House Conference Committee on the military appropriation bill decided June 15 to direct to the House the Senate amendment appropriating \$7,500,000 for continuation of work on Dam No. 2 of the Muscle Shoals power project in Alabama. An appeal to Republican leaders in the House to bring in a special rule by which prompt and speedy action may be had on the offer of Henry Ford to develop the Government's projects at Muscle Shoals was made June 15 by Representative Almon. (Press, June 16)

America Menaced
by Political Trend

A frankly pessimistic view of some of the predominant tendencies of American political thought was voiced at Cleveland, June 15, by the Secretary of War at the commencement exercises of Western Reserve University. In an address, which

he said he was tempted to entitle "The Decline of the American Government," the Secretary declared the drift of recent years was gradually weakening the Nation's governmental structure by undermining the Constitution and sweeping away the principles of party responsibility. The direct primary, "bloc" agitation and the country's readiness to accept constitutional amendments were instanced by the speaker as furnishing evidence that the Government was heading away from its ancient safeguards and toward complete social democracy. (Assoc. Press, June 16.)

Section 2.

Business
Conditions

1. "Business is down to bed-rock and is proceeding on a hard cash basis with a minimum of credit."
2. "The security market is strong because money is coming out of various sources to liquidate debts and provide investment funds."
3. "Our vast wealth and our excellent financial system constitute a chief reliance for restoring the world's capacity for production, for exchanges and for the return to normal methods of economic progress."
4. "We need to get rid of some of our gold as badly as they (Europe) need to get it." (D.R. Crissinger, Comptroller of the Currency, in The Magazine of Wall Street, June 10.)

California
Holstein
Record

To the Bridgeford Holstein Company of California goes the honor of bringing out the first Holstein cow to produce 1,000 lbs. fat in each of two successive lactation periods. The cow, Adirondac Wietske Dairy Maid, recently finished a yearly record of 34,401.9 lbs. milk containing 1,136.15 lbs. butterfat (1,420.18 lbs. butter), a record which ranks fourth among all Holstein records. Her previous record was 1,036 lbs. fat (1,295 lbs. butter) from 31,899.8 lbs. milk, making her two years' production, 66,301.7 lbs. milk and 2,172.24 lbs. butterfat (2,715 lbs. butter). The two records were made within a period of 26 months, 21 days. (Hoard's Dairyman, June 16)

Cotton Prices

An editorial in The Wall Street Journal for June 15 says: "Cotton prices show a substantial advance in the past ten days. Spot cotton, near and distant months, all show an advance. Liverpool also is buying at advancing prices for deliveries as far ahead as January. Rising prices in a single commodity indicates a shortage in the supply. ... Back of all that cotton represents -- the world's clothing, millions of capital invested and wages paid -- is the planter. Should he fall down, the whole industry would topple. And yet, there is no other producer in America so little considered as he, and none has been forced to toil for so small a return that often can not be distinguished from a loss. Because of this the cotton planter has not been able to use the best methods of cultivation. By improved cultivation methods and scientific plant breeding, the weevil could have been controlled, and the yield of cotton per acre increased. But this could not be done without a proper remuneration to the producer. In consequence, the world now faces the danger of a shortage, and possibly a famine, in the cotton supply. There is no better authority on cotton to-day than Sir Charles W. Macara, of Manchester. In a letter to Harvie Jordan of the American Cotton Association, he says, in part: 'One would think it would be the first concern of anyone engaged in business to see that his raw material was placed beyond the possibility of doubt. But those who spin cotton seem to have little anxiety as to the supplies upon which their existence depends. A fatal inertia exists, and I see nothing but some great upheaval that is likely to bring people to their senses. The state of things existing in the cotton fields of America must give rise to the gravest anxiety in the mind of anyone who has the welfare of his trade and his fellowmen at heart.' After referring to the conditions existing in Civil War days, and once later when Lancashire had to curtail production one third and spread wages over 12 months, Sir Charles further says: 'We shall have to get the spinners of the

world to view the cotton industry on comprehensive lines. ... The planter must be regarded as of same importance as others who touch cotton, and his rewards will have to be considered just as much as spinner, manufacturer, finisher, middleman, merchant or shipper. All are indispensable to the production of the finished article and all must be sufficiently compensated. 'If America is obliged to go out of business as a cotton producer, where will the world get its future supplies?' These are but short extracts from his statement, but they are serious and weighty words, and should be considered now."

County Agents

Reviewing an editorial on county agents in a recent issue of The Price Current-Grain Reporter, American Farming for June says: "This editorial writer is in a bad way. ... That editorial writer, it is fair to presume, is hardly so ignorant as he pretends to be. For there is available a large fund of information as to what a county agent is worth to many counties situated much the same as Clayton County, Iowa. A Clayton County banker is responsible for the statement that in one year the county agent saved farmers of that county \$140,000 on hogs alone through introducing the double vaccination treatment for cholera prevention. In three years the hog cholera loss in New Madrid County, Mo., was reduced to one-sixth what it had been prior to the employment of a county agent. The estimated saving in the last year of the three amounting to \$153,760. The entire budget for county agent work that year was only \$4,335. ... On the whole, the money expended on county agent work is a remarkably fine investment."

Eggs to London

What is claimed to be the first shipment of eggs from California to London, England, this year consisted of 500 cases Petaluma Sterilized Fancy Ranch shipped from San Francisco, June 3, by Wilsey, Bennett Co. on the Holland-American Line motor ship Dintel-dijk. The eggs were packed in especially constructed ventilated export cases and Gill cup fillers were used. (Chicago Dairy Produce, June 13.)

Meat Campaign

Referring to the organization of the National Live Stock and Meat Board, The Pacific Homestead for June 8 says: "It is also suggested that the creation of the board may possibly mean 2,500,000 pounds of potential meat consumption, which was lost in the calendar year 1921 through a decrease in meat consumption per capita of 25.5 pounds as compared with the rate prevailing two decades ago. This should be gradually regained. If such a result can be brought about, it will, of course, add many millions of dollars to the producers' live stock or, at least, provide for millions of additional meat animals. ... If the sole object of this organization is as announced, the movement is worthy to be encouraged and supported. If the interests represented in the initial meeting -- producers, packers, commission men and retailers of meat -- demonstrate that they can unselfishly work together with the single object in view, that of increasing meat production, this alone will be worth while. Apparently this is to be a great constructive movement in which real service can be rendered to the meat producer. Furthermore the fulfillment of such a program would work no hardship upon the

consumer. ... Referring to the object of the organization, one of the leaders stated that the idea is not to adopt any particular methods or to go out and start a fight on other foods. It is, though proposed to make a thorough study and investigation of meat in the hope of developing the advantages of meat in the human diet."

Rail Wage Cuts

"Wage cuts affecting some 250,000 railroad workers not embraced in the two recent wage slashes are expected to be announced to-day by the United States Railroad Labor Board," the Chicago Tribune said June 15. "The decision," the newspaper stated, "will apply to clerks, signalmen, stationery firemen and oilers and marine department employees. It is the third and last of a series of trimming between \$135,000,000 and \$150,000,000 a year off the annual pay roll of the carriers, all three of the reductions taking effect July 1. In all, some 1,250,000 workers are covered in the three orders."

Tariff Legislation

"Sense in Tariff Making" is the title of an editorial in The Farmer (St. Paul) for July 3, which says in part: "The Fordney-McCumber bill, if it becomes a law, is bound to be disappointing to all interests except those receiving special favors under its provisions. Furthermore, it will draw retaliatory legislation from other countries with which we should be doing business. Canada has already taken steps along this line. If the Fordney-McCumber bill were the best tariff law ever constructed by Congress, it would still be a comparative failure, because sensible tariff laws can not be built without serious mistakes so long as the work is handled by so many men representing so many conflicting interests."

Wool Freight Rates

Material reductions in freight rates on both baled and sacked wool from Washington, Oregon, Idaho and Montana to eastern points are announced by the Northern Pacific Railway. (Seattle dispatch to press, June 14.)

Wool Prices

The Philadelphia Public Ledger to-day reports from Boston: "Regarding the wool market as a whole, the upward trend of prices is halted, except for delaine fleece and staple domestic wools, which are needed to supplement the rapidly decreasing supply of Australian merinos and other fine foreign grades. More stable prices are looked for during the marketing season. Between auction sales in Texas, scattered clips of the State are being taken by eastern buyers on the basis of \$1.33 to \$1.35 clean cost for good twelve months wool landed in Boston and \$1.05 to \$1.10 for eight months. In this market the best Texas wools available are offered at \$1.30 to \$1.35 clean for twelve months and \$1.10 for eight months. Good staple fine and fine medium wool in the original bags are quotable at the clean basis of \$1.30 to \$1.35. In graded form, fine and fine medium staples would cost fully \$1.35 to \$1.40. Good French combing is quotable at \$1.20 to \$1.25, whether Texas or Territory. If available, fine and fine medium short combing wool would be quotable on the clean basis of \$1.10 to \$1.15, but as the larger part of the current sales are being made in the original bags, the French combing and strictly short clothing wools are being thrown in together. Receipts at Boston this week amounted to 7,900,000 pounds, of which 5,179,400 pounds were domestic wools."

Section 3.

Department of
Agriculture

The Washington Star, June 15 says: "The American Farm Bureau Federation has been asked, in a letter from Wilson Compton, secretary of the National Lumber Manufacturers' Association; to cooperate in the retention of the Forest Service in the Department of Agriculture and in a program of legislation looking to the adoption of public systems of forest fire protection and taxation of forest lands on economic principles."

Section 4.

MARKET QUOTATIONS.

Farm Products

June 15: Chicago wheat market strong on higher foreign markets, but sentiment turned bearish and liquidation developed despite further claims of heat damage in southwest. Weakness in stock market also a factor. Offerings in cash market continue small; milling demand good. Chicago July wheat lower at \$1.09 3/4; Chicago July corn lower at 61 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.14; No. 2 hard winter wheat \$1.13; No. 2 mixed corn 61¢; No. 2 yellow corn 61¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in central Iowa 48¢.

Chicago hog market closed steady with Wednesday's average, bulk of sales \$10.05 to \$10.65; medium and good beef steers steady at \$8.00 to \$9.20; butcher cows and heifers steady at \$4.15 to \$8.60; light and medium weight veal calves \$8.00 to \$10.00; fat lambs 75¢ lower at \$11.50 to \$12.75.

Potatoes slightly weaker. Carolina Cobblers \$4.50 to \$5.50 per bbl. most eastern wholesale markets, unsettled Baltimore \$4 to \$4.25. Virginia Eastern Shore stock \$5.75 to \$7, Chicago and other large consuming centers. Watermelon markets irregular. Demand moderate. Florida Tom Watsons firm New York \$450 to \$600 bulk per car. Georgia Early peaches best stock \$3 to \$4 per 6-basket carrier in leading markets. Hileys up 75¢ Philadelphia at \$4.50 to \$5. California cantaloupes, Salmon Tints, standards 45's steady eastern cities \$8 to \$9. Tomato markets steady for Mississippi stock, fours ranging from \$1 to \$1.50 most consuming markets, \$1 f.o.b. shipping points.

Hay market weak. Demand confined principally to top grades while bulk of arrivals consists of the lower grades. Wheatfeed market weak and inactive. Prices declined to work lower.

Butter markets firm. Demand active. Over a million pounds daily moved into storage in the four markets the past week. Cheese markets steady.

Spot cotton down 7 points, closing at 21.68¢ per lb. New York July futures down 12 points at 21.66¢. (Prep. by Bureau of Markets and Crop Estimates.)

Industrials and
Railroads

Average closing price	June 15	June 14	June 15, 1921
20 Industrials	91.25	93.08	68.16
20 R.R. stocks	82.28	83.09	69.31

(Wall St. Jour., June 16.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 66.

Section 1.

June 17, 1922.

Tariff Legislation

Republican leaders reached an agreement June 16 to keep the tariff measure uninterruptedly before the Senate until disposed of and then make bonus legislation the unfinished business with absolute priority. (Press, June 17.)

Ship Subsidy Bill

The administration ship subsidy bill was favorably reported to the House June 16 by the Merchant Marine and Fisheries Committee. Republican leaders of the House will confer again to-day with President Harding on the question of taking up the ship subsidy bill prior to adjournment. (Press, June 17.)

Rail Wage Cut

A cut of \$26,500,000 a year in the pay of 320,000 rail workers, the bulk of them in clerical and station forces, was announced June 16 by the Railroad Labor Board. The reductions range from 2 cents to 6 cents an hour, nearly two-thirds of those affected losing 3 cents. (Press, June 17.)

Grain Marketing Facilities

In a report to Congress June 16, the Federal Trade Commission recommended legislation requiring operation of public terminal grain elevators by railroad companies and improved banking facilities for the movement of grain in the Northwest. (Press, June 17.)

Critics Assailed by Civil Service

Declaring the report of the Bureau of Efficiency on the methods of transacting the public business by the Civil Service Commission, under date of April 7, not only fails to contain constructive suggestions, but does contain many inaccuracies, the Civil Service Commission has submitted a reply to the bureau's report to the President. (Press, June 16.)

Hague Conference

The leaders of the delegations of the allied countries and H.A. Van Karnebeek, the Dutch foreign minister, June 15 mapped out the work of The Hague conference and decided to recommend the appointment of three subcommissions to discuss separately the questions of Russian debts, Russian credits and the treatment of property in Russia owned by foreigners but expropriated by the Soviet Government. (Assoc. Press, June 16.)

Section 2.

Agricultural
Conditions

The Pennsylvania Farmer for June 17 says in an editorial on the preliminary reports which have been issued by the Congressional Joint Commission of Agricultural Inquiry: "From this it will be seen that the careful and rather exhaustive study which this commission has made emphasizes what many agricultural thinkers have seen before: That while certain legislation is necessary to permit and foster the necessary work, the work itself must be done by farmers themselves. The sooner we realize this fully and begin to act upon the knowledge, the sooner will many of the ills which affect the economics of agriculture be cured. As long as farm leaders continue to run about shouting for help from the outside and demand that somebody else do for them what can only be done by themselves, we need not expect rapid improvement. Personal efficiency, community development and business organization are the three lines open for workers."

Agriculture
in Iowa

Edward T. Devine says in an article on "The Turn in Iowa," in The Survey for June 15: "The revival of agricultural prosperity, considered ^{seriously} rather than merely as Pollyanna propaganda, dates from the rise of the price of corn and hogs in Iowa and the surrounding corn-growing district. Des Moines is the natural agricultural capital of the country, as Pittsburgh is its industrial capital. It is no accident that the present Republican Secretary of Agriculture and his Democratic predecessor are editors of rival farm journals, both published in Des Moines, and that the long service of their predecessor, through several administrations, Republican and Democratic, was rendered by another Iowa farmer. This increase in the price of Iowa's basic farm products is now taking place. It seems not to be a temporary fluctuation, but a moderate and probably permanent improvement. For this normal return, nature, economic laws, national legislation in the revival of the War Finance Corporation, the policies of the Federal Reserve Bank, and the traditional sanity of the farmers, are all entitled to credit. ... Some buyers -- a large number in the aggregate, but not a large proportion of all who have bought land, and of course a very small proportion of all present owners -- have lost their investments or are in danger of doing so. The produce does not pay interest on the mortgage. At the very low prices of wheat and corn and of the meat products into which they are transformed on the farms where they are grown or on neighboring farms, the gap between the interest to be paid and the yield of the farm has been heart-sickening. Here, however, is where the bankers, backed by the Federal Reserve system and the War Finance Corporation and the sober common sense of the former owners who frequently hold the purchase mortgages, come in. The banks and the former owners know very well that it is better to be lenient with the new buyers than to foreclose. ... The general result is that land is not now changing hands rapidly, speculative sales are not taking place; liquidation and readjustment are in progress; many buyers whose purchase contract had not yet been replaced by a deed have lost their investment. The farms are coming into the hands of those who can get the most out of them; the salutary lessons are in process of digestion."

ool

Clerk Nutting of the Consulate General, London, reports to the Department of Commerce that wool sales in London for both B.A.W.R.A. and privately owned wools have been fixed as follows: 5th series, July 18th; 6th series, September 5th; 7th series, October 17th; 8th series, November 21st. There will also be sales of B.A.W.R.A. wool at Liverpool on July 6th and 7th, October 5th and 6th, November 16th and 17th, and December 21st, and at Hull on July 13th and 14th, October 12th and 13th, and December 14th and 15th. (Press Statement, June 17.)

Section 3.

MARKET QUOTATIONS.

Farm Products

June 16: Chicago wheat market unsettled, fluctuating rapidly within 3¢ range, but advanced later and closed higher with local sentiment more favorable. Chicago July wheat higher at \$1.11; Chicago July corn higher at 62¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.14; No. 2 hard winter wheat \$1.15; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in central Iowa about 48¢; No. 1 dark northern wheat in central North Dakota \$1.19 3/4; No. 2 hard winter wheat in central Kansas \$1.

Chicago hog prices opened active, mostly 5 to 10¢ higher, bulk of sales \$10.05 to \$10.75; medium and good beef steers \$8.00 to \$9.20; light and medium weight veal calves 25¢ lower at \$7.75 to \$9.25; fat lambs steady to weak at \$11.50 to \$12.75.

Potato markets weaker, demand moderate, supplies liberal. Carolina cobbles down 50¢ to \$1 in leading consuming markets at \$4 to \$4.75 per bbl., steady in Boston and Pittsburgh at \$5 to \$5.50. Virginia Eastern Shore stock down 25 to 75¢ at \$4.75 to \$5.25 in New York, Philadelphia and Baltimore. Weaker in Boston and Chicago at \$6.50 to \$6.75. Cobblers from Norfolk section Va., slow and dull at \$4 to \$5. South Central Bliss Triumphs weaker at \$2.75 to \$3.25 per 100 lbs. Tomatoes slightly weaker in city markets. Mississippi, fours, green and turning wrapped stock, down 5 to 10¢ at \$1.10 to \$1.40. Watermelon values held well in most eastern markets, slightly weaker Chicago. Florida Tom Watsons \$400 to \$600 bulk per car, Chicago \$325 to \$500. Peach markets fairly steady. Georgia Early Varieties, best stock mostly Carmans and Early Rose \$4.00 to \$3.50 per bu. and 6-basket carrier. Cantaloupes firm in most cities, weaker in Chicago and Pittsburgh.

Hay market generally weak. Buyers expect lower prices. Wheat-feed market continues weak. Considerable pressure to sell, principally bran.

Butter markets steady to firm. Demand active. Considerably buying for storage. Cheese markets steady with trading quite active on all except small styles.

Spot cotton up 16 points, closing at 21.84¢ per lb. New York July futures advanced 22 points, closing at 21.88¢. (Prepared by Bur. of Markets and Crop Estimates.)

Industrials and Railroads

Average closing price	June 16	June 15	June 16, 1921
20 Industrials	91.11	91.25	67.57
20 R.R. stocks	81.91	82.28	68.88

(Wall St. Jour., June 17.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Vol. V, no. 67.

Section 1.

June 19, 1922.

Ship Subsidy
to Await Tariff

Under a compromise plan suggested to President Harding June 17 by House Republican Leaders, and which, it was said, did not meet his disapproval, the House will take up the ship subsidy bill immediately after the Senate has passed the tariff bill. (Assoc. Press, June 18.)

Fertilizer
Investigation

The Senate June 17 adopted a resolution submitted by Senator Norris directing the Federal Trade Commission to investigate and report to the Senate whether the production or sale of fertilizer is controlled by any combination, monopoly or trust, and whether the dealers or manufacturers of fertilizers are in any unlawful conspiracy by which the price of fertilizer is enhanced. (Cong. Rec., June 17.)

Reclassification
Legislation

The Sterling-Lehlbach reclassification bill for employees of the Government is not satisfactory in a number of particulars to some of the members of the special subcommittee of the Senate Appropriations Committee which is now considering that measure, it was learned June 17. One of the provisions of the bill as reported by the Senate Civil Service committee which has caused objection is that which declares none of the employees shall receive a lower salary than he or she is to-day receiving as a result of the reclassification. It is pointed out by committee members that the very purpose of the bill, which is to equalize salaries for similar kinds of work, will be defeated if this provision remains in the bill." (Press, June 18.)

Strike Threat
Issued by
Rail Unions

Formal notice was served June 18 on the Railroad Labor Board by the chiefs of ten railroad unions of their intention to go through with a strike if one is authorized by the 1,225,000 workers whose wages are to be reduced on July 1 on orders of the board. (Assoc. Press, June 19.)

Government
Expenditures

Fifteen days from the end of the fiscal year, on June 30, ordinary expenditures of the Government had been \$3,177,000,000, as compared with \$4,804,000,000 for the first eleven and a half months of the last fiscal year while ordinary receipts had aggregated \$3,782,000,000, as against \$5,045,000,000 for a similar period last year. These figures were contained in the statement of Federal finances, as of June 15, issued by the Treasury. (Press, June 18.)

Section 2.

Agricultural
Advice

"Boll Weevil and Brains" is the title of an editorial in Southern Ruralist for June 15, which says in part: "Individualism has been the curse of Southern agriculture. And while we all know that each man must use his own good common sense in the application of remedial measures in the control of insects or other pests and in the use of new ideas, yet it is imperative that there be unity of action. We agree with our correspondent that the farmer is the object of entirely too much advice. We must choose carefully those whom we would hear. We must listen to those who are capable of advising. Every farmer should know by now that his county agent is a responsible authority, and that his advice is to be sought in the solution of all agricultural problems. The farm paper has its reputation at stake and can not afford to make suggestions that are not borne out fully by actual demonstrated facts; facts based upon average experience under average conditions. Moreover, the agricultural colleges are responsible authorities and their advice can be taken at face value. So it is with the United States Department of Agriculture and its many officials and bulletins. ..."

Cooperative
Enterprises

Charles J. Brand, former chief of the Bureau of Markets, thus outlines the three most frequent types of cooperative enterprises: "The independent farmers' marketing unit such as the individual farmers' elevator at the local shipping stations, the fruit shipping association which confines its membership to a single locality, or practically so, and the individual unit farmers' cotton warehouse. This is by far the most numerous group of cooperative agencies. The federated organization which is made up of individual units confined largely to single localities but unified into a central or federated agency which, either directly or through an employed marketing agency, disposes of the produce of the local association's members. The large central association which executes directly with individual growers a marketing contract covering a period of from one to five years, through the operation of which the farmer's product when harvested and delivered for marketing comes under the absolute control and direction of the central body. This type of organization may or may not have local branches, but when they exist they are of an informal character without authority to direct or control the marketing of the products of their own members." (Journal of The American Bankers Association, June 16.)

Cooperative
Marketing

New York Commercial for June 16 says in an editorial on "Class Distinction for Farmers": "In his address before the American Iron and Steel Institute, Judge Gary remarked: 'To permit labor associations or farmer organizations to do, as the result of combination, things that are claimed to be beneficial to them which are denied to others, is to create classes, to favor some of them and to injure the whole body politic. It tends to array class against class and it adds to the cost of production.' This statement seems to have aroused some misapprehension on the part of those who are working directly in the farmers' interests. Mr. Bernard M. Baruch, in a letter to Senator Capper, says: 'I gather that Judge Gary is of the opinion that the legislation authorizing farmers to cooperate in marketing their products confers privileges upon them that are denied to other producers, and thus results in inequality of citizens before

the law and in fact. It is admitted by all that there should be equal opportunity for the treatment of all pursuits, which he contends for, and that is precisely why I have done what I could to assist the farmers in procuring legislation authorizing them to cooperate in marketing their products, for that is but restoring balance, to the economic whole. The legalization of agricultural cooperation does no more than attempt to put the six millions of scattered and competitively selling farmers on an equal footing with the largely consolidated buyers of their products and with industry generally. A careful reading of both Judge Gary's speech and Mr. Baruch's letter would seem to make it plain that both of these economists actually agree. One does not gain the impression that Judge Gary is opposed to the principle of cooperative marketing for farmers, but rather that he resents the tendency on the part of Congress, for political purposes, to specifically exempt labor and farmers from the operation of certain laws. In other words, if it is a criminal act for one citizen or group of citizens to do a certain thing it is equally criminal for any other citizen or group of citizens to do that same thing. That would seem to be as far as Judge Gary's remarks went. Legislation of that kind specifically and definitely creates a privileged class, which is against all American principles. Those who advocate such measures are going the wrong way about helping either labor or the farmers. What is needed is affirmative legislation. No right-minded man will object to a concrete plan which will enable farmers to so market their products that they will receive a just proportion of the profits, without bringing hardship upon the consumer. This is one instance where Government can function better than any other agency in bringing about such cooperation. The Government need not undertake the actual work of marketing for the farmers, but it can provide the machinery. This is something very different from legislation providing that certain acts are criminal, and then exempting farmers from the consequences of such acts. ... So far as can be seen there is no difference in principle in the ideas advocated by Judge Gary or Mr. Baruch or Senator Capper. It is rather a matter of method."

Cotton Substi-
tutes in South

The New York Times June 17 says: "So destructive have been the ravages of the boll weevil in certain parts of the South that cotton growers have given up raising cotton and have turned their attention to other products. During a recent scientific collecting trip, George P. Engelhardt, Curator of the Department of Natural Sciences of the Brooklyn Museum, had opportunities to observe and study important agricultural conditions and developments in certain sections of the States of Georgia, Alabama, Mississippi and northern Florida. Mr. Engelhardt found that despite the energetic and far-reaching methods taken by the United States Department of Agriculture and by State and local authorities, the boll weevil continued to be a serious menace. In some regions the insect has become so obnoxious and destructive that cotton raising in certain sections is no longer profitable. To offset this serious loss, two important developments are taking place in these sections. One is the introduction of the so-called suma orange, a small-sized fruit somewhat resembling the tangerine, being very sweet in flavor. ... The other development is that of the pecan nut, long in favor in the Southern States because of its delicious and nutritive meat."

Crop Insurance

"Insurance by companies or Government will encourage the individual farmer, and thus indirectly enable him to produce more and will improve his credit, but crop insurance will not in itself prevent crop loss. Crop insurance, if it became general, would carry with it many things which would make for protection against failure, just as have life, accident and fire insurance extended knowledge and insisted upon precautions which help the insured and lessen the risk to the insurer. The farmer can do much to insure himself against losses from all of the causes of crop failure -- even from the weather. While he can not prevent the recurrence of destructive storms he can do for the plants of the fields what medical science has done for the human plant. Many diseases which formerly scourged the human race have now practically passed into history because their causes were discovered and precautionary measures were adopted to prevent their development." (Journal of the American Bankers Association, June 16.)

Federal Reserve

and
Agriculture

"Representative Johnson, of Mississippi, has introduced a bill amending the Federal Reserve Act to increase the open market powers of the Federal Reserve banks by permitting them to sell long time paper secured by shipping documents covering agricultural products or by chattel mortgages on live stock. In the former cases the maturities might run as long as a year and in the latter two years. While provision of this kind may be desirable it is a mistake to link it up with the Federal Reserve system. It properly belongs with a separate system of financing. What these rural Congressmen never seem to understand is that the Federal Reserve system is, as its name implies, a reserve of the banking funds of the country, which, to be effective, must be kept in liquid form. Hence, the limitation to ninety-day maturities for all classes of business except agriculture, which is given an extension to six months. This latter was a concession that ought not to have been made, not that agriculture should not have it, but such provisions should be made under a separate act. The safety of the financial system requires it." (N.Y. Commercial, June 16.)

Fertilizers and
Muscle Shoals

"Congress would do well to give thought to the recent words of the President of the National Fertilizer Association. According to that official, Mr. Ford, if he wishes, can go into the fertilizer business without acquiring the Muscle Shoals property. He can, indeed. Conversely, Muscle Shoals if acquired under reasonable terms will bring the manufacturer no power to produce fertilizers for the farmers at the prices apparently expected in rural districts. Special 'aid' for farmers can come out of Muscle Shoals only at the expense of the taxpayer. That fact -- for fact it is -- ought to be frankly faced. There is, of course, no reason why Mr. Ford should not secure the use of the facilities and the power at this site if he is willing to pay the Government as much or more for them than anyone else is ready to pay. But there is no reason why this price should be turned over directly or indirectly to the farmer. Most of all, there is no shadow of justification for a 'deal' whereby the people of the country pay Mr. Ford or anyone else to use the power for his own profit." (Jour. of Commerce, June 16.)

Food Prices

The cost of living was slightly higher in May than in April. Out of forty-three articles used by the Department of Labor in computing the price index, twenty-three increased, while fifteen decreased, and five were unchanged. For the year ending May 15, the percentage decrease of all articles of food combined was 4. For the nine-year period, beginning May 15, 1913, the increased cost of living on food products was 44 per cent. During the month ending May 15, the average family expenditure for food increased in thirty cities, included in which were Atlanta, and Richmond, 2 per cent; Cincinnati, Dallas, Portland, Ore.; St. Louis, Seattle and Washington, D.C., 1 per cent. The cost decreased in twenty cities, including Boston and San Francisco, 1 per cent; Columbus, New Orleans, New York and Pittsburgh, less than five-tenths of 1 per cent. (Report, June 16)

Land Grants
in Canada

Major John Barnett, chairman of the Canadian Soldiers' Settlement Board, says in an article in the current issue of the Journal of the American Bankers Association: "While the benefits to the ex-soldier who has been established on a farm are great, the national benefits which have accrued to Canada are much greater. More than 50 per cent of the men established have been settled on lands hitherto raw and unproductive. Approximately 600,000 acres of new land have been brought under cultivation. The farm crops raised by soldier settlers last year aggregated more than \$15,000,000. Considerably more than 100,000 souls have been retained in, or returned to, the basic industry of the country."

Ship Subsidy

The Baltimore Sun to-day says in an editorial: "It is the blunder of an amiable man grown stubborn that Mr. Harding should stake his fortunes in leadership as the champion of ship subsidy. He seems to have become obsessed by the idea that the passage of this bill will constitute his master-stroke, that it will solve one of the major problems of his administration, and that it will guarantee our preminence in international commerce. Unfortunately for himself he appears to be able to see only the rainbow side of this proposition, and his leadership, if he is really asserting it, takes a direction which will not appeal to public sympathy at home, and which is already arousing antagonism abroad. Whatever can be legitimately urged in behalf of such a subsidy as a means of converting into living commerce carriers the dead ships left on our hands by the war, the questions involved are necessarily international as well as domestic. Like the proposed high tariff, they go farther than the seacoast. They touch the commercial life of other nations and in considering these questions we must not shut our eyes to their far-reaching consequences. We have a right to do what we will with our own. But so have other countries, and already it seems that our subsidy policy is begetting the thought of a rival commercial policy in Great Britain, which may take the character of an imperial protective trade alliance."

Wool

The Commercial Bulletin for June 17 says: "The wool market shows a halting tendency at the present moment, both in the eastern markets and in the West, where the buyers' limits in some instances have been cut down. The prices paid at Kerrville, on the whole, are said to show a slight recession from the extreme prices of a week ago."

Section 3.
MARKET QUOTATIONS.
Weekly Review

Farm Products

June 17: Grain prices unsettled and closed lower for the week ending June 17. Chicago July wheat closing at \$1.11 3/4; Chicago July corn 62¢. Sentiment mixed and largely bearish. Highest prices made first of week on short covering, and there was firm undertone on 14th on bullish crop news. Declines mainly on liquidation. Minneapolis July wheat closed at \$1.30 5/8; Kansas City July wheat \$1.05 1/4; Winnipeg \$1.04.

Potato markets weaker. Carolina Irish Cobblers No. 1, down 50¢ to \$1 per bbl. for the week; Virginia stock 25¢ weaker in eastern markets and Chicago. South Central sacked Bliss Triumphs down 65¢ to 75¢ in Chicago. Tomatoes generally weaker. Mississippi fours down 10¢ to 15¢ in leading cities, up 15¢ in Cincinnati. Watermelons nearly steady in eastern markets, slightly weaker Chicago. Peach markets steady to firm, up 25¢ best stock, production sections. Cantaloupes steady leading eastern markets.

Chicago hog prices declined 5 to 10¢ net for the week. Medium and good beef steers generally 5 to 15¢ higher with butcher cows and heifers 25 to 50¢ lower. Lambs ranged from \$1.75 to \$2 lower.

Hay market generally weak; buyers expect lower prices. Bulk of arrivals low grade. Not much top grade arriving but apparently enough to meet demand. Wheatfeed market continues weak. High protein feed slow.

Butter markets steady to firm. Considerable buying for storage continues. Closing prices, 92 score: New York 36¢; Philadelphia 36 1/2¢; Boston 37¢; Chicago 36 3/4¢. Cheese markets steady with trading quite active. Storage movement is relatively slow. Prices at Wisconsin primary markets June 15: Twins 18 1/4¢; Daisies 18 1/4¢; Double daisies 18¢; Young Americas 18 1/2¢; Longhorns 18¢; Square prints 19¢.

Spot cotton advanced 6 points during the week. New York July futures declined 14 points. (Prepared by the Bureau of Markets and Crop Estimates.)

Industrials and
Railroads

Average closing price	June 17	June 16	June 17, 1921
20 Industrials	91.45	91.11	67.25
20 R.R. stocks	81.95	81.91	67.85

(Wall St. Jour., June 19.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 68.

Section 1.

June 20, 1922.

Tariff Ahead of Bonus

Republican senators in conference June 19 decided not to displace the tariff bill for consideration of the soldiers' bonus bill, thereby upholding the wishes of President Harding, and clarifying the position of Senator McCumber, chairman of the Senate Finance Committee. (Press, June 20.)

Ship Subsidy Bill

While still awaiting decision by the President, Republican leaders of the House declared yesterday indications were that the ship subsidy bill would not be taken up until the tariff bill, now before the Senate, had been sent to conference. (Press, June 20.)

Grain Futures Bill

Defeated yesterday in their efforts to get a rule for the immediate consideration of the Capper-Tincher grain futures bill, House farm bloc leaders announced that another attempt to obtain favorable action will be made to-day. (Press, June 20.)

Muscle Shoals

A resolution designed to give a privileged status to pending bills relating to the development of the Government's power plant at Muscle Shoals was introduced June 19 by Acting Chairman McKenzie, of the House Military Affairs Committee. (Press, June 20.)

Hague Conference

The Associated Press reports to-day from The Hague: "France's decision to cooperate with the other European powers in the forthcoming negotiations with the Russian Soviet had a buoyant influence on the conference here to-day. Arrangements for the meeting with the Bolsheviki were advanced by the formation of three subcommissions. In accordance with the Genoa agreement the names of the countries represented on the various sub-commissions will be communicated to Moscow tomorrow. If political questions are introduced the French delegates will promptly withdraw."

New Vitamine Report

The Philadelphia Public Ledger to-day says: "The isolation of the new vitamine 'D' after three years of research by Dr. E.V. McCollum, of the Johns Hopkins University, Baltimore, is believed by Dr. Milton J. Greenman, director of the Wister Institute, University of Pennsylvania, to be the most important contribution to the science of dietetics and human nutrition that has been made in ten years."

1911

1. The first part of the paper is devoted to a discussion of the nature of the problem. It is shown that the problem is not merely a question of the existence of a solution, but a question of the nature of the solution. The problem is shown to be a question of the nature of the solution, and not merely a question of the existence of a solution.

2. The second part of the paper is devoted to a discussion of the nature of the solution. It is shown that the solution is not merely a question of the existence of a solution, but a question of the nature of the solution. The solution is shown to be a question of the nature of the solution, and not merely a question of the existence of a solution.

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Section 2.

Agricultural
Bloc

Farmer and Breeder for June 15 says in an editorial on "The Farm Bloc": "As a matter of common justice for the farmers, all classes represented at our Nation's Capitol may well join hands with the farm bloc to pass legislation that will encourage food production instead of disheartening it with oppressive laws. For national prosperity depends ultimately upon profitable agriculture. This was shown pointedly during the past two years of business stagnation -- due largely to the loss of buying power of the American farmer who watched the prices of his products drop to disastrous levels, while prices of everything he had to buy stayed at near-war heights. Labor and commodity prices have held up on account of the organization among laborers and captains of industry. The farmer was simply forced by this situation to follow suit. And now that he is beginning to get a few laws passed that will give him a square deal it ill becomes non-agrarian interests to object."

Agricultural
Education
in Alberta

Establishment of an agricultural college which would absorb the present faculty of agriculture at the Alberta University is being planned by the Cabinet of the Provincial Government. Agricultural education, according to George Hoadley, Minister of Agriculture, should be conducted as a system distinct from the general educational system. This would permit more direct connection between the agricultural college, the smaller farm schools, demonstration farms, county agents and the man actually tilling the soil. The agricultural college, under the proposed plan, would have a new building on the university campus. (N.Y. Times, June 18.)

Canadian
Trade
Relations

Thomas B. McAdams, president of the American Bankers Association, speaking to-day before the annual convention of the New York Bankers, advocated closer reciprocal trade relations between the United States and Canada, and a broad-minded partnership for the development of mutual business relations. He said, in part: "We hear protests against such a suggestion based upon the competition which would ensue through Canadian and American wheat coming into competition with each other and affecting the respective local markets. Whether or not there be a reciprocal treatment of each other's product it is inevitable that such portion of Canada's production of three hundred millions of bushels of wheat as may not be needed for home consumption will come into direct competition with the United States in supplying the food demand of the world. There is just so much wheat and the price at home must be affected by the total available for consumption. As both countries produce a surplus and as upon us jointly at present there is the burden of supplying the markets of the world, is it not reasonable to assume that a working agreement between Canada and the United States for the world supply of wheat and other agricultural commodities could be made sufficiently profitable to offset many times any temporary effect reciprocity might have upon our local markets?" (Press Statement, June 20.)

Commodity
Prices

In all groups of commodities, except chemicals and drugs, wholesale prices in May averaged $3\frac{1}{2}$ per cent higher than in April, according to a revised list of wholesale prices made public June 19 by the Bureau of Labor Statistics. Farm products advanced more than 2 per cent. (Report, June 19.)

County Agent

The Wisconsin Agriculturist for June 10 quotes the following from an editorial in the Wausau Tribune: "There are still a large number of farmers who can not see that the county agent is a necessary position in modern agriculture. They look upon his arrival as an intrusion or as one with evil intent. They witness his many trips into the country by auto and picture a big expense which they must meet. The gloom is so intense that it serves as a smoke screen over the good that is done. It should require no arguing at this stage of agricultural evolution to convince farmers that the position of agricultural agent is a good one, an asset, and not a liability. The many things of value which can be measured in dollars and cents are so numerous that a mere contradiction appears ludicrous. ... To those who look upon the office of county agent of agriculture as such a costly institution may do well to undertake a little figuring. The county board in passing on the petition entered recently to eliminate the office in Marathon County discovered that the elimination of the office would save in taxes to a \$10,000 valuation about seventy-five cents, enough to buy a few smokes and a shot of poisonous moonshine."

Dairy Farming
in Manitoba

Manitoba farmers received \$12,589,431 for their dairy products in 1921. The annual report of the dairy commissioner says production will be even greater this year, for blooded herds are being enlarged and hundreds of new silos dot the mixed farming region along the transcontinental lines of the Canadian National Railways. The new silos, the report says, mean more economical production of milk and cream. More than a hundred cars of creamery butter, representing 2,316,272 pounds and having a value of \$857,020, were shipped out of the Province. England was a big buyer. (Press, June 19.)

Freight
Rates

In an editorial on "Freight Rate Readjustments," The Indiana Farmer's Guide for June 17 says: "Freight rates are being readjusted stubbornly. The recent reduction will stimulate industry but still more readjustment must come before the freight rate turmoil ceases to be a problem among mid-western farmers. High freight rates violate the whole theory upon which agriculture in the middle West was developed. As pointed out by Secretary Wallace in a recent address, the whole agricultural section of the West was built up on a system of low rates designed to encourage the movement of surplus crops long distances to consuming points with a corresponding return of manufactured articles. A sudden reversal of this theory of rate making as was put into effect during the past few years could not result other than in economic disorder. ... At times it has appeared that the important fact of the inseparable nature of rail transportation and agriculture was lost sight of. ... The recent past is a striking example of the dependence of transportation upon the farmer for good business stamina. What will be the results if a system of continued high rates is maintained throughout the West is not certain. One thing seems probable, however, it will lead to higher food prices in all large consuming centers and at the same time lower prices in surplus producing centers except in years of short crops. Officials responsible for rail rate making should keep in mind above all else that the mid-West was built up on a policy of low rates and that a continuation of that policy is the only assurance of continued prosperity for transportation agents in this section."

Farm Women to Cooperate with Children's Bureau The Woman's Committee of the American Farm Bureau Federation is making plans to cooperate with the Federal Children's Bureau of the Department of Labor to carry out the program of benefit for mothers and children in rural communities, according to Mrs. Chas. Schutler, chairman of the committee. (A.F.B.F. News Letter, June 15.)

Flax Marketing A growers' flax pool is being organized in North Dakota and Montana. (A.F.B.F. News Letter, June 15.)

Live-Stock Marketing The largest live-stock market in the world, the Chicago Producers' Commission Association, opened in Chicago June 19. The association is organized under the auspices of the National Live Stock Producers' Association, set up by the Farmer's Live Stock Marketing Committee of 15 appointed by the American Farm Bureau Federation. The new producer-owned and controlled commission house will handle live stock chiefly from Illinois, Iowa, Indiana, Wisconsin, South Dakota and southeast Minnesota. A large number of cooperative shipping associations in those States have already sent in their membership. (A.F.B.F. News Letter, No. 24.)

Peat as Fuel The Northwest Farmstead for June 15 says in an editorial: "It would be money well spent, probably, if the next Minnesota legislature would appropriate not less than \$50,000,00 for an investigation by the University on methods of utilizing peat for fuel. Some of the men over at the University have been working on this sort of independently and without any funds for quite a while. They have got to the point where they know how to utilize the peat after it is gotten out of the peat beds. The question is, how to get it out economically. We have 9,000,000 acres of it, and you don't have to go into the ground after it. It lies on the surface. There must be a way of getting it out if we can just put some bright men on the problem and give them the money to work with. There is no use of Minnesota being subjected to the expense of high coal prices when we have billions of tons of first-class fuel right in our own State."

Potash Tariff 1. The Southern Ruralist says in an editorial: "As we have pointed out before, the potash tariff as it now appears, and it will go through if our people do not show more fight than they have shown, will levy a certain percentage beginning the first year and continuing with reductions throughout a period of three years, totaling in the end an entire cost of upward of \$57,000,000, the majority of which will come out of the pockets of the farmers of the South. The old infant industry argument of a generation ago has not been so freely resorted to in this case. Back in the old days they used to bring forth the infant industry argument, insisting that these pitiful little industries needed protection until the poor little things got on their feet, and the interests thus favored got their pockets full. Such arguments would not hold water in this case. The potash industry of the West is not an infant concern, nor is it an untried proposition. It has been very thoroughly demonstrated that agricultural potash can be made at the mines in that section, but it has not been demonstrated that the time will ever come when this industry so far removed from the fields of consumption will ever be able to compete with the imported product. Our domestic industry will always have the handicap of long haul freight rates."

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Potash
Tariff

2. "The tariff rates on imported potash provided in the bill now under consideration by Congress would lay an estimated tax of \$51,300,000 on American agriculture. This is too big a price to pay for the protection of an infant industry that even under the stimulus of excessive war prices turned out a maximum of 50,000 tons annually and which, according to testimony of impartial investigators, could not produce over 20,000 tons annually for several years to come. Practically all of our potash has come from Europe for years past. The time will doubtless come when great deposits of potash will be opened up here in America, but that time is not yet and the potash that has been produced here recently has been obtained by the use of methods that are too expensive, except as war emergencies. (Ohio Farmer, June 17.)

Section 3.

MARKET QUOTATIONS.

Farm Products

June 19: Chicago July wheat market had numerous rallies, but each upturn brought out increased offerings and quick reactions followed. Pronounced lack of buying. Visible supply wheat 24,614,000 bushels, a decrease of 1,194,000 bushels for the week. Chicago July wheat lower at \$1.10; Chicago July corn lower at 61 1/2¢. Visible supply corn 32,341,000 bushels, an increase of 2,028,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.13; No. 2 hard winter wheat \$1.13; No. 2 mixed corn 61¢; No. 2 yellow corn 52¢; No. 3 white oats 34¢. Average farm prices: No. 2 mixed corn in central Iowa about 48¢; No. 2 hard winter wheat in central Kansas 96¢.

Chicago hog prices opened active; bulk of sales \$9.85 to \$10.75; medium and good beef steers \$7.85 to \$9.20; butcher cows and heifers steady at \$4.00 to \$8.50; light and medium weight veal calves 25 to 50¢ lower at \$7.50 to \$9.00.

Potato markets slow and weak. Carolina Irish Cobblers down 25¢ to \$1 at \$3.50 to \$4 per bbl, most eastern markets, \$4.50 to \$5; Boston. Steady shipping points at \$3 to \$3.25. Watermelon markets irregular. Florida and Georgia Tom Watsons medium sizes steady New York \$400 to \$550 bulk per car, nearly steady Philadelphia and Pittsburgh \$300 to \$425. Peach markets steady to firm. South Carolina Greenboros \$2.25 to \$3.25 New York and Philadelphia. Cantaloupes weaker. California Salmon Tints down \$1 leading eastern cities at \$6 to \$8 per crate, \$4 to \$4.75 Chicago and Pittsburgh.

Hay receipts continued moderately heavy during the week, particularly on the medium and lower grades. Wheatfeed market continued weak. Demand light. Offerings liberal.

Butter markets steady with only minor fluctuations during the week. Receipts heavier but increased demand for storing purposes has absorbed the surplus. Cheese markets steady with trading quite active on all except small styles.

Spot cotton up 68 points, closing at 22.70¢ per lb. New York July futures up 1/2 points at 22.76¢. (Prepared by Bureau of Markets and Crop Estimates.)

Industrials and
Railroads

Average closing price	June 19	June 18	June 19, 1921
20 Industrials	91.95	91.45	64.90
20 R.R. stocks	81.88	81.95	65.52

(Wall St. Jour., June 20.)

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Vol. V, no. 69.

Section 1.

June 21, 1922.

Ship Subsidy,
Tariff and Bonus
Legislation

The New York Times to-day says: "Two events June 20 served to clarify the legislative outlook for Congress by fixing with some degree of definiteness the order in which the three leading problems of the Republican majority -- tariff, bonus and subsidy -- will be finally disposed of. President Harding

settled the big question that has been confronting the House by giving his assent to the plan of the House leaders to postpone action on the ship subsidy bill in that body till after the tariff bill was passed by the Senate and sent to conference, which will probably be in August. The Senate by an overwhelming vote, largely on party lines, defeated an effort of Democrats to substitute the bonus bill for the tariff bill on the Senate's calendar, and later by a vote of 52 to 8 made the bonus bill the unfinished business as soon as the tariff bill was passed. As matters stand, therefore, the Senate will proceed with its deliberate discussion of the tariff bill, which not even the most optimistic expect to see passed before some time in August."

Future Trading
Legislation

The House Rules Committee June 20 considered but took no action on the question expediting the Capper-Tincher bill designed to meet the Supreme Court's decision in the Future Trading Act case. (Press, June 21.)

Federal Employees'
Bonus Reduced
in House Report

The \$240 bonus, which civilian employees of the Government have been receiving for five years, in lieu of adjusted compensation to meet the increasing cost of living, is cut to \$180 a year in the report made to the House June 20 by the House Appropriations Committee. (Press, June 21.)

Muscle Shoals

Chairman Norris, of the Senate Committee on Agriculture and Forestry, June 20, announced that hearings on the Muscle Shoals project development would end to-day after hearing a representative of the Alabama Power Company.

Eight Republican members of the House Military Affairs Committee June 20 signed a report submitted to the House by Representative Kearns denouncing Henry Ford's offer to purchase and lease the Government's projects at Muscle Shoals, Ala. Their action increased to four the number of reports emanating from the committee and marked another division of opinion among the twenty-one members over the question of Muscle Shoals disposition. None of the signatories was willing for Congress to accept the Ford offer either as recommended recently by the so-called majority views, presented by Acting Chairman McKenzie, or by those who indorsed the report written by Representative Wright asking the acceptance of Mr. Ford's proposal unconditionally. (Press, June 21.)

Section 2.

Agricultural
Education

"Farming with Brains" is the title of an editorial in The Wall Street Journal for June 20, which says: "This year colleges in forty-five states are giving courses in agricultural economics and allied subjects, including marketing cooperation, farm management and commercial geography. The meaning of this is that a revolution, bloodless but of far-reaching effect, is now under way in the United States. Education is working an agricultural revolution that is bound to add enormously to the prosperity of this country. The Department of Agriculture at Washington has been the starting point. Its scientific and research work has added untold millions, and perhaps billions, to our agricultural wealth. Texas fever cost cattle raisers over \$100,000,000 a year until a scientist in that department located the cause. Incidentally, this discovery led to the arrest, conviction and execution of the malarial and yellow fever-carrying mosquito. Hog cholera cost many millions more until a serum was made to prevent it. The introduction of the naval orange, durum wheat, Egyptian cotton and many improved grains, grasses and fruits by this department has been of almost priceless service. Through pig, calf and corn clubs tens of thousands of farm boys have been reached and taught scientific farming and live-stock breeding. They are flocking now to the agricultural colleges where, in addition to other things, they will learn about the soil, how through it to feed the plants and secure the greatest production possible. They will learn how to care for live-stock and breed and develop profitable animals. So important is this work that a party of boys from one of the colleges is now on the way to England to study some of the leading herds of cattle. Larger crops and larger live-stock returns are to be expected from such instruction. One great evil to-day is that the farmer gets too small a percentage of what the consumer pays for his products. There is great need for improvement here, and there is bound to be a change for the better when a large percentage of the farms is directed by men who farm from the neck up. The country will receive much benefit from this because it prospers most when the farmers prosper. The only ones to suffer will be the political agitators who find discontent the most fertile soil for their work. But the country as a whole, will rejoice to see the agricultural revolution grow and spread from sea to sea."

Agricultural
Financing

The Wall Street Journal for June 19 says in an editorial: "There is encouraging reason to believe that publications which profess to represent the farmer and the Wall Street Journal are getting together. They have reached the point of listening to each other. Here is the evidence from Capper's Weekly: 'Summed up The Wall Street Journal's credit argument seems to be that the stock gambler is a fine credit risk, the farmer a damn poor one.' On the contrary, The Wall Street Journal holds that the 'stock gambler' is a bad risk. Not a banker in New York would trust him with a time loan such as any of them would make to a farmer if they recognized character, which is more important than collateral. The farmer will obtain loans, and did so, in 1920, whatever Capper's Weekly may say to the contrary, where a stock gambler could not borrow on any terms whatever."

Capper's Weekly means to play fair. It publishes in full The Wall Street Journal's editorial explaining the difference between call money in Wall Street and money for farm loans tied up for six months,

secured by uncertain prospects for a crop and the possibly inflated land value of the farm. And Capper's Weekly lays our statement of the facts before its farmer readers without abridgement. That is fine and helpful. Senator Capper was once the correspondent of The Wall Street Journal in one of the cities of Kansas, and a pretty good man at that. But he had better not let his farmer supporters catch him smiling as he listens to denunciations of that man of straw they have been taught to call Wall Street. It is not the 'stock gambler' who is the individual borrower of money on call. Call loans are made in Wall Street by brokers, carrying a large mixed account for many customers. To call these 'gamblers' is to beg the question. They range from investors to speculators, but every one of them is protected by his own resources. ... Plenty of farmers in Texas could have done better, or at least as well. But Senator Capper should remember that The Wall Street Journal has for years been in the lead in recommending a system of agricultural credits. It has opened the eyes of the financial center of the country to that need. It does not despair of securing the disinterested cooperation of Senator Capper."

Grain Marketing

1. U.S. Grain Growers, Inc., has issued a statement giving details of the financial negotiations for \$50,000 to meet the capital stock requirements for admission of the U.S. Grain Growers Sales Co. to the Chicago and Minneapolis grain exchanges and other arrangements for credit of a million dollars or more to finance grain movements. President Gustafson states that the officers of the farmers' grain firm have had numerous conferences and have reached an agreement on details with the principals who are willing to give this assistance to the growers' organization. B.F. Hales is the man who stands ready to give this financial assistance. He is quoted as saying: "If I can help the grain growers in this way -- and they need it -- and can do so with financial safety, that is all I seek."
2. Commenting upon the organization and financing of the U.S. Grain Growers, Inc., Sales Department, Price Current-Grain Reporter for June 14 says: "In a word, this is apparently the first tentative outline of a real movement to concentrate, as the U.S.G.G., Inc., has intended to concentrate, the handling of all grain from the country in the hands of a single concern. Its purpose is to eliminate receivers and in doing so it would eliminate competitive buyers and curtail price bids also. It would narrow the market for both buying and selling and would in the end be as disastrous to the farmer by reducing the number of bidders for his grain as it would to the consumer by reducing his opportunities through competitive sellers for his purchases."

Grain Production in Soviet Russia

"Soviet Russia has finally established a statistical service, and it is now possible to determine a little more definitely what the prospects are for Russian grain exports. In 1921, wheat production seems to have been just a little less than half of the normal prewar. This is partly because of the low yield per acre, but chiefly because of the small area planted. In the case of rye, which has always been fully as important a crop in Russia as wheat, the acreage in 1921 was maintained a little better, but even with rye the production was only about half as great as before the war. Oats, barley and potatoes

tell the same story, and in every case the reduced output is as much due to the reduction in acreage as it is to the decrease in the average acre yield. This being the case, it would seem probable that it will be, as British experts have suggested, at least five years before Russian grain is again exported to industrial Europe in large quantities." (Wallaces' Farmer, June 16.)

Milk Marketing

In a statement on the Voigt bill, Senate hearings on which are scheduled to begin on June 29, Charles W. Holman, executive secretary of the National Milk Producers' Federation, says: "The federation, in cooperation with other farmers' organizations, is arranging for a thorough presentation of the case to prohibit the movement of these compounds in interstate commerce. If assured good markets, American farmers may be relied upon to produce an increasing supply of high quality milk. ... To market such a flood of milk requires the utilization of gradual marketing programs; and with a highly perishable product such as milk, this can only be accomplished by manufacturing the surplus into butter, cheese, condensed and evaporated and powdered milk. Foreign markets are hard to capture with American butter and cheese, but the evaporated milk market is one which America has developed for her own. This is an international market and it is this market which is being undermined by an imitation product. Last year, for example, the condensed and evaporated milk production of this Nation fell off by 113,852,000 pounds. In that same period approximately 65,000,000 pounds of imitation evaporated milk was produced. The greater profits to manufacturers and merchants in handling the imitation product cause some of them to adopt various deceptive practices in order to push their counterfeit wares. If gradual marketing of milk by-products is to be accomplished this traffic in imitation milk must be done away with. We will present to the Senate some striking health and economic reasons for passing the Voigt bill."

Transportation Education

Wallaces'

Farmer for June 16 says in an editorial based upon the preliminary transportation reports of the Congressional Joint Commission of Agricultural Inquiry: "A research and educational institution to study the fundamentals of transportation is the latest suggestion of the commission. At the present time there is no agency which is making a thorough study of the transportation problem in all its aspects. ... We suggest that the Congressional Joint Commission of Agricultural Inquiry not only recommend the establishment of a transportation college, but also a banking college and a distribution college. The commission has done some splendid work in studying these various parts of our national life, but the members of the commission realize as well as anyone that they have made only the merest beginning. They have studied deeply enough into the fields of transportation, finance and distribution to know, however, that the general public is very poorly informed as to the fundamental problems. We understand from Mr. Anderson, chairman of the joint commission, that the organization of a national transportation institute is under way. This is a step in the right direction, and we trust the new institute will do research and educational work which will result eventually in the people of the United States moving their goods back and forth across the country in the most economical fashion possible."

Section 3.

Department of 1. The Florists' Exchange for June 17 says in an editorial: "The
Agriculture exceedingly gratifying communication from Secretary of Agriculture
Henry C. Wallace has reached us. ... It is reassuring to find that
the obvious justice of at least some of the representations made at
the May 15 conference has finally been recognized by the Department
of Agriculture in the person of its Secretary. In our opinion his
expression of belief that certain modifications can and should be
made is more than sufficient to counterbalance the repeated assertions
of the F.H.B., as made in California and from Washington, that little
or nothing will be done to 'weaken' Qu. 37 or injure American horti-
culture. Of course, no one wants a relaxation of essential and
reasonable protective measures, or any injury of legitimate American
industry. But it is just as easy to smother a baby by piling on it
too many protective coverings as it is to destroy it by exposing it
naked to storm and cold. In other words, we still contend that the
position taken during these years by the F.H.B., and from which it
is most reluctant to retreat, is untenable in the light of justice
and the best interests of horticulture in the largest sense. Nor
must we forget that there is still under discussion the cold, hard
fact of the strict legality of the entire ruling and various actions
that have been taken under it. Finally it is gratifying to read in
Mr. Wallace's letter an official expression of a broader minded view
of the conference as a whole than that indicated in such reports as
have been issued by the Press Service of the department -- reports
which obviously have been prepared by or for the F.H.B., with the
express purpose of strengthening its position and supporting its
previous arguments. Just another indication of the truth that for
big minds and big, fairminded, farsighted thoughts, we must look
and appeal to the high places."

2. The Washington Post to-day says in an editorial: "If it is
true that a cheap yet effective treatment for the ravages of hookworm
has been found, it will prove a decided boon to suffering humanity.
... For years it has engaged the serious attention of the Department
of Agriculture, and it is, appropriately enough, by that department
that announcement of the discovery of the cure has been made. Ex-
periments made on a small scale in the United States and on a much
larger one in the Fiji Islands and Ceylon appear to establish con-
clusively that moderate doses of carbon tetrachloride, a well-known
cheap and common chemical, effect a complete cure. ... The present
well-attested discovery is another tribute to the efficiency of the
experts of the Department of Agriculture."

3. Price Current-Grain Reporter for June 14 says: "The effort of
the agricultural bloc seconded by the department to destroy 'the
middleman' is a survival of the rhapsodical and picayunish notions
of commerce and trade which have characterized that department since
1913 when the Bureau of Markets was established with \$50,000 to
squander to teach farmers how and when and where to sell their
products and to upset the cordial relations of farmers with their
neighbors. It was hoped that after eight years of that tomfoolery,
Mr. Harding's administrator of the department would rise above this
ineptitude of Government policy and narrow-mindedness in administra-
tion; but the Wallace administration has gone far beyond any effort
of his predecessors in this direction. ... "

Section 4.

MEETINGS, HEARINGS AND VISITORS.

A. E. Steme, Rhode Island director of agricultural extension, will be at the Office of Extension Work, States Relations Service, on June 22 and 23.

Section 5.

MARKET QUOTATIONS.

Farm Products

June 20: Chicago wheat market trade narrow and local, but offerings light and undertone firm. Reports of dry, hot weather from Winnipeg, and crop deterioration in Canadian northwest. Foreign crop also bullish. Chicago July wheat higher at \$1.12 3/4; Chicago July corn higher at 62 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.16; No. 2 hard winter wheat \$1.15; No. 2 mixed corn 62¢; No. 2 yellow corn 63¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢.

Chicago hog prices opened active on better grades advancing 10 to 15¢; medium butchers mostly 10¢ higher, others steady to lower than Monday's average, bulk of sales \$9.60 to \$10.85; medium and good beef steers \$7.75 to \$9.25, others strong to 10¢ higher; butcher cows and heifers \$4.00 to \$8.40; light and medium weight veal calves \$7.50 to \$9.00; fat lambs \$10.50 to \$12.00.

Potato market continued weak under heavy supplies, Carolina and Virginia Irish Cobblers ranging mostly \$3 to \$4 per bbl. eastern cities. Carolina stock \$4.50 to \$5 in Chicago, Virginia cobbles \$5.75. Watermelon markets irregular. Georgia and Florida Tom Watsons, medium sizes, down \$100 in New York at \$300 - \$450 bulk per car. Georgia stock \$60 to \$175 f.o.b. shipping points. Cantaloupes down \$2 to \$4 in leading eastern markets; other cities weaker, general range \$4.00 to \$5.00 per standard crate. Georgia pink meats 75¢ to \$1.00 per flat of 12 - 15 melons, in consuming markets. Peaches slightly weaker, supplies moderate in most markets. Georgia Hileys \$2.25 to \$2.75 f.o.b. shipping points, Carmans \$1.75 to \$2.00. Tomato markets weaker. Mississippi green and turning wrapped, fours, 75¢ to \$1.00 leading cities, Texas, sixes, \$1.90 to \$2.00 f.o.b. shipping points.

Spot cotton up 8 points, closing at 22.77¢ per lb. New York July futures up 5 points, closing at 22.81¢. (Prepared by the Bureau of Markets and Crop Estimates.)

Industrials and
Railroads.

Average closing price	June 20	June 19	June 20, 1921
20 Industrials	93.51	91.95	66.25
20 R.R. stocks	82.85	81.88	66.79

(Wall St. Jour., June 21.)

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 70.

Section 1.

June 22, 1922.

Permanent Tariff Commission Urged

The Fordney-McCumber tariff bill is not a scientific measure and the present method of framing bills is not only unscientific but also illogical, according to Senator Frelinghuysen of New Jersey, a member of the Committee on Finance, who spoke in the Senate June 21. An amendment to the pending bill which would create a tariff commission of ten members with life tenures of office and salaries of \$12,000 a year each, the duty of which commission it would be to investigate conversion cost differences and report to Congress, was introduced by Senator Frelinghuysen. A fund of \$1,000,000 would be authorized to carry out the duties of the commission. There will never be, said the Senator, a tariff that meets the needs of the country so long as the present system of framing revenue bills is continued. (N.Y. Times, June 22.)

Federal Employees' Bonus Restored

By a vote of 220 to 38, the action of the House Appropriations Committee in fixing the bonus for civilian employees of the Federal and District governments for the next fiscal year at \$180 was rejected and the existing bonus of \$240 a year retained. (Cong. Rec., June 21.)

Muscle Shoals

Southern manufacturers, with industries valued at \$300,000,000, before the Senate Committee on Agriculture and Forestry June 21, protested against inclusion of the Gorgas steam plant in any offer leasing the Government's project at Muscle Shoals, and said that if turned over to Ford 50 per cent of the Alabama mines, now deriving power from that source, would be closed. (Press, June 22.)

National Forests as Soldier Memorials

The establishment of a Nation-wide project of memorial forests, under the supervision of posts and departments of the Veterans of Foreign Wars, is provided in resolutions adopted June 21 by the department encampment, in session at Washington. The program had the support of several national organizations favoring conservation of forests. The posts and departments will undertake to establish forests as memorials to the soldier dead. (Press, June 22.)

Hague Conference

"At Genoa we had a Russian political experiment which did not succeed; now at The Hague we are going to have a technical experiment which may or may not succeed," M. Alphand, chief French expert at The Hague conference, said June 21. (Assoc. Press, June 22.)

Section 2.

Boll Weevil
Destruction

"The Boll Weevil Conquered" is the title of a statement, by D.R. Coker, of Hartsville, S.C., in Commerce and Finance for June 21, in which the author describes his treatment of affected areas. He says, in part: "For some reason the extension bureau is not recommending the use of the calcium arsenate-molasses mixture in fighting the weevil, although a circular issued by B.R. Coad of the Tallulah laboratory and dated July 6, 1921, shows this method to be a most effective means of early season control under certain conditions, and although the dusting method recommended by them produced most disastrous results in some instances in this section last year. In view of the abundant evidence of the effectiveness of the calcium arsenate-molasses treatment and especially in view of the fact that its use involves an expenditure of only 10 to 20 cents per acre for materials for application and can be mixed and applied by any tenant farmer, I can not understand their attitude, which is still more difficult for me to understand because the dusting method recommended by them involves a cost of several dollars per acre for poison, an expensive machine and night work; a combination which is, under present conditions, entirely out of the reach of the average tenant farmer and of many land owners. With the evidence at hand, I think it probable that if the calcium arsenate-molasses treatment is applied to every acre of cotton in South Carolina four times during the next month, it may result in an increase of at least a quarter million bales to the crop of the State this year."

Business
Conditions
in Southeast

A report from Atlanta to the press of June 21 says: While general business conditions have improved steadily over the Southeast the last two months, and the industrial outlook is probably brighter than it has been in two years, it is the opinion of bankers and leading manufacturers normal conditions will not prevail before the latter part of this year, and in many lines not before the early part of 1923. Steady advances in cotton prices the last three weeks have had a favorable moral effect on all lines of southern business, and if the present prices hold firm until this year's crop is ready for marketing, undoubtedly it will prove a potent factor."

Civil Service

An editorial in The Outlook for June 21 says: "What constitutes the evil against which high-minded officials protest is that the subordinate places are so hedged about with restrictions that not only is it impossible to get party hacks into them but it is equally impossible to get indifferent workers out of them. And what is even a worse evil, it is impossible to transfer work from overworked clerks to clerks that are idle. The defect of the Civil Service system, devised for the public good, is thus twofold, and the remedy must be twofold. In the first place, provision should be made by law which will enable temporary transfers of subordinates from one department, or bureau, or office to another, so that when a special rush of work comes in one place it may be met by supplying from elsewhere some kind of reserve. In the second place, while maintaining all the safeguards necessary to secure a competent worker for every position, the law should give the greatest freedom to those in authority to dismiss from any place a worker whose work for any reason is, to that responsible official, unsatisfactory. There is no reason why public office should be a place of refuge for the inefficient or the indolent."

There is no reason why the subordinate in a public position should be permitted to remain in office if incapable of cooperating with those in authority. Rules concerning the appointment to office may be too rigid. In some cases the mechanical requirement that the person who stands highest in passing an examination should be appointed works badly. The appointing power should have some choice among those who have proved themselves eligible. The important thing, however, is that the official responsible for the conduct of his department or bureau should, after giving in writing the reasons for his action, be free to discharge those who he has reason to believe are incompetent or shirk their work. The abuses that may arise under the exercise of such liberty are not as great as the abuses that have grown up under a hard and fast system that keeps laggard or incompetent workers in places where they are supposed to serve the public. At present, it is frequently necessary to prove against a subordinate misconduct amounting to a misdemeanor in order to secure removal. No private organization could carry on its business on a basis like that. A Government clerk ought to have some other qualifications for remaining in office than merely innocence of crime. There should be a new reform in the Civil Service -- a reform in the direction of competent and economic work. The public not only has the right to make sure by law that its servants are not employed for political purposes, but it also has the right to make sure that its servants really serve."

Cotton

A dispatch from Stockholm to the press of June 21 says : "The Congress of European cotton manufacturers just closed discussed in detail plans for increasing the world's supply of cotton and emancipating the manufacturers from dependence upon the United States crop. The most important development this year is the optimistic reports on the rapidly improving crops of long staple cotton in Brazil with which the Lancashire spinners hope some day to replace the American cotton on the English market. At present the Brazilian cotton is too badly mixed to meet the demands of the English spinners, but committees were appointed to go to Brazil and urge upon the Government immediate steps for increasing and improving the output. Many times in the course of the speeches this year the cotton men dwelt upon the rapidity with which American cotton exports were declining, partially through the blight of the boll weevil and partly as the result of the increasing demands of the American domestic market, which each year leaves the European spinners clamoring over the shortage. It was resolved to send an appeal to the International agricultural institute in Rome for immediate action against the boll weevil blight, which, it was claimed, is causing an alarming decrease in the world output."

Dairy Cow

"People who revel in large figures should do reverence to the dairy cow. Her production of milk in the last calendar year was 98,862,276,000 pounds. To those who look at the purchasing power of an industry, the figures are equally interesting because the direct value of production was \$2,410,000,000; indirectly, it was worth many millions more. Neither wheat, corn, nor cotton equals in value the product of the dairy cow. ... Tests made at various agricultural colleges prove that the dairy cow has no equal as a food producer. The food value of a year's production from a well-bred cow is equal to that obtained from five beef steers, weighing 1,000 pounds each on

the hoof. On the other hand, a cow of scrub lineage may not produce enough to pay her board. When these facts are considered it can be understood why the President has called a conference of dairy experts from all the world to meet in this country. This is why enlightened dairymen are willing to spend what seem fabulous sums for a breeding animal from the F.F.V's of the milky way. It would not be hard to maintain that the man who spends money this way does as much, and perhaps more, for his fellows than if he had built libraries or endowed universities. These facts also explain why some railroads, like the Rock Island and the Illinois Central, with manufacturing corporations like the International Harvester spend money, and give the services of experts, to further the dairy business. Other great railroads and corporations are also pursuing this enlightened course. They realize they can not prosper unless the country does, and the country can not prosper unless the farmers do." (Wall St. Jour., June 19.)

Federal Reserve and Farmers

The New York Times June 20 contains an editorial on Senator Heflin's reply to the speech of Senator Glass on the Federal Reserve system. The editorial says in part: "Senator Heflin declares -- 'The fact is that the great bulk of the agricultural products are financed by the so-called country banks.' That is true, and there are twice as many banks outside the Federal Reserve as within it. Why not divide proportionately the blame for refusing to give the farmers all the credit they wanted? It was not the fault of the Federal Reserve if the country banks had so overloaned to the farmers that they could not qualify for rediscounts. It was not the fault of the Federal Reserve that the country banks, and even the member banks, were so filled with frozen farm loans that commercial processes almost stopped and something had to be done to keep trade currents open. There would have been no trouble about farmers' losses if the markets had not collapsed. Senator Heflin charges the collapse of the American farmers' markets on the Federal Reserve. But banks -- Federal Reserve banks in particular -- have nothing to do with sustaining markets. The liquidity of their loans is their chief care. The support of the American markets would have been impossible without sustaining the world's markets. All the banks and all the governments would have failed in that superhuman task."

Freight Rates

"The Truth About Freight Rates" is the title of an editorial in The Farmer for June 17, which says in part: "These reductions are indeed welcome to farmers, who needed such relief more than any other class of people in the Nation, because they are the only class who pay the freight both ways, on what they have to sell and on what they have to buy. But there is a tendency in some quarters to intimate and to attempt to lead the people to believe that the freight-rate question is now 'settled,' and that idea is very remote from the plain facts. The burden of excessive freight rates is slightly relieved, but the question can not be 'settled' until much further adjustment is made to bring these rates more nearly into line with the prices of agricultural products, particularly, and of many other commodities in general. All of the recent reductions in freight rates have been based on the increase of thirty-five per cent (in the Western territory) allowed by the Interstate Commerce Commission on August 25, 1920. There seems to be a studied effort on the part of the publicity

agents who announce these reductions through the daily press to ignore any mention of a previous increase. Compared with the increase of thirty-five per cent allowed in August, 1920, the recent reductions have been quite substantial indeed; but when these reductions are compared with the total increase since the prewar period, they fade into much smaller size. The prices of farm products have receded to prewar levels, and farmers are interested in comparisons based on other prewar conditions."

Meat Prices

Beefsteak and roast beef are on their way back to the menu of the ordinary citizen, according to the National Institute of Progressive Farming. The reason is simple according to Guy H. Hall, director. With deflation of the grain market it has again become profitable to market feed grains via the beef market. "Our survey of the beef situation covered the four leading pure-bred cattle associations, namely, the Hereford, Aberdeen-Angus, Shorthorn and Galloway, the leading live-stock markets and some 17,000 farm implement dealers," said Mr. Hall. "The investigation," continued Mr. Hall, "shows a marked increase in the sale of bulls to farmers and range cattle growers. This means increased herds. All reports agree on that Herds were depleted during the deflation period and there is still a shortage, but the movement back to normal is now in full swing." (Chicago dispatch to press, June 21.)

Section 3.

- Department of 1. "Dr. Maurice C. Hall, a Washington man, has discovered a Agriculture probable cure for hookworm -- one of the worst epidemics which afflicts the human race in the United States. If the remedy proves practical, Dr. Hall has achieved more of lasting benefit to his country than any general who ever won a great battle or any statesman who ever negotiated a great treaty. The end of the hookworm scourge would be at once noticeable in dollars and cents, better houses, better clothes, better food and happier people. It would increase the productivity of the United States. The Department of Agriculture, in announcing the discovery, mentions an interesting point. ... " (Wash. Herald, June 22.)
2. "Of course farmers everywhere are making it known that they do not intend to permit their Bureau of Markets to get into other hands if they can help it, and that they want the Forest Service kept in safe hands. As to Roads and Weather, they prefer them where they are, according to general report. The Secretary of Agriculture knows this. What an efficiency expert reports as the cheapest place to hook these bureaus into is not likely to have much weight with him." (American Agriculturist, June 17.)
3. "There are those who declare the farmer will not take advantage of the information furnished him from Government sources in regard to farming. The head of one of the largest anthracite coal companies in the United States, however, does not agree. As a result of disseminating Government information that it was cheaper to burn corn than to buy coal, a certain Iowa territory which normally takes 100,000 tons of coal took from him last year but 10,000 tons." (Wall St. Jour. June 22.)
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Section 4.

MARKET QUOTATIONS.

Farm Products

June 21: Chicago wheat market fluctuated rapidly within 1 1/2¢ range. Fair buying on breaks and increased offerings on returns. Kansas reports confirm excessive heat and premature ripening reports in certain sections. Cash and export demand slow. Chicago July wheat higher at \$1.13 1/4; Chicago July corn higher at 62 3/4¢; Closing prices in Chicago cash market: No. 2 red winter wheat \$1.16; No. 2 hard winter wheat \$1.16; No. 2 mixed corn 63¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota \$1.17 1/4; No. 2 hard winter wheat in central Kansas 96¢.

Chicago hog prices opened active, strong to 10¢ higher; bulk of sales \$9.75 to \$10.90; medium and good beef steers \$7.75 to \$9.35; better grades strong to 10¢ higher; butcher cows and heifers steady to strong at \$4.00 to \$8.40; veal calves steady to 25¢ lower at \$7.50 to \$9.00; fat lambs \$11.50 to \$13.00.

Potatoes slightly stronger. Chicago firm \$4.75 to \$5. Virginia Eastern Shore Cobblers up 25¢ leading eastern cities at \$4.25 to \$5. Watermelon markets well supplied, but generally weaker. Demand moderate. Florida stock leading markets \$220 to \$400. Tomatoes slow and weak. Mississippi fours 85¢ to \$1.10 in leading city markets. Cantaloupes weaker in eastern cities, firm Chicago. Georgia pink meats down 50¢ to 75¢ Baltimore \$2.50 to \$2.75, Flats 75¢ to \$1 eastern cities. Salmon Tints \$1.50 to \$1.75 f.o.b. Imperial Valley, California points. Peaches weaker, demand slow to moderate. Georgia sixes, Hileys, down 25¢ to 50¢ leading markets at \$3 to \$4.25, fancy large New York \$4.25 to \$4.50.

Hay markets continue fairly heavy, especially in eastern markets. Demand only for top grades. Some accumulation of unsold low grade hay. Wheat feeds fairly steady especially in eastern markets. Offerings not heavy.

Butter markets steady to firm, especially on fancy goods. Cheese markets firm. Since advances on Wisconsin Cheese boards Monday traders appear to have greater confidence in present price levels.

Spot cotton down 24 points, closing at 22.53¢ per lb. New York July futures down 34 points at 22.47¢. (Prepared by Bur. of Mkts. & Crop Estimates.)

Industrials and Railroads	Average closing price	June 21	June 20	June 21, 1921
	20 Industrials	93.02	93.51	66.23
	20 R.R. stocks	82.62	82.85	67.00
(Wall St. Jour., June 22.)				

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 71.

Section 1.

June 23, 1922.

Federal Reserve Banks Cut Rates

Announcement was made June 22 that the New York Federal Reserve Bank had reduced its discount rate from 4 1/2 to 4 per cent, the lowest since December, 1917. On June 22 The Federal Reserve Bank of Boston also reduced its rediscount rate from 4 1/2 to 4 per cent. Lowering of the 5 per cent rediscount rate of the Federal Reserve banks of Minneapolis, Kansas City and Dallas was said at the Treasury Department, June 22, to be expected as a result of what was regarded as a general reduction from the present level now under way throughout the system. (Press, June 23)

Grain Futures Legislation

The House June 22 voted 226 to 25 to take up the Capper-Tincher bill to amend the Future Trading Act, and then laid it aside temporarily. (Press, June 23.)

Muscle Shoals

Before the Senate Committee on Agriculture and Forestry June 22, Major Burns, army engineering expert, condemned concentration of gigantic water power development at Muscle Shoals as proposed in the Henry Ford offer. Major Burns recommended distribution of the water power development across the entire South through various power companies now existing in those States. Under such an arrangement, he said, the power development would be directly controlled by the Government through the Federal Water Power Act, "with great benefit to the general consumer." (Press, June 23.)

Tariff Legislation

An amendment proposed to the tariff bill by Senator Owen June 22 would authorize and direct the Federal Trade Commission to ascertain the cost of production at home and abroad of every article imported into the United States. (Press, June 23.)

A Scientific Tariff

The Washington Post to-day says in an editorial: "Senator Frelinghuysen's proposed amendment to the pending tariff bill, providing for an increase of members and a broadening of the powers of the Tariff Commission, is a step in the direction of taking the tariff out of politics; and from that point of view aside from all others it deserves special attention. There is general agreement that the present method of fixing import duties by legislative process is, as Mr. Frelinghuysen holds, 'illogical and unscientific.' ... A tariff with protection as well as revenue-securing features is now an established American policy; the making of schedules and the fixing of rates have no more business in controversial political affairs than has the regulation of charges affecting transportation. ... "

Section 2.

Cotton
Financing

An editorial in Manufacturers Record for June 22 says: "A few weeks ago we reported that the banks of Little Rock had agreed to lend to the Arkansas Cotton Growers Association \$3,000,000 to aid in financing the handling of cotton this fall. A considerably larger amount of money will be needed for this purpose,

... but with the cooperation of other banks than those in Atlanta and Little Rock, and the expected cooperation of the War Finance Corporation, it is believed that ample money will be provided to meet the situation. The South is thus beginning intelligently to finance the cooperative marketing of its great staple. No one can quite comprehend the influence which this movement will likely have upon the betterment of cotton marketing in the South, and its influence on the prosperity of this section and on world affairs. It means that no longer will the cotton grower be held in economic slavery by the power of European cotton buyers and the cotton gamblers of New York and other cities. It will mean that the cotton grower himself will hold the cold end of the poker and that the cotton buyer will of necessity have to hold the hot end or leave the control of the situation in the hands of the growers. Out of this will probably come a vast betterment in the financial condition of southern cotton-growing interests, and thus of all the ramifications of trade in the South."

Economics

The World's Work for July says in an editorial on "The Thirst for Economic Knowledge": "One of the encouraging developments of the present time is the growing knowledge of economic principles and their application to the affairs of men. This will help to save us from social revolution. The growth of such knowledge among laboring classes makes them better and more satisfied citizens. Farmers are becoming something of economists and are seeking economic solutions of their problems. The result is working wonders in agriculture. In other fields the principles of economics are playing an increasingly important part. Many large and small corporations now have departments to study economic conditions and aid the management in more intelligently planning for the future."

European
Situation

An editorial in The Journal of Commerce for June 21 says: "There is no denying the coldness of the future which the European countries are now facing as a result of the inability of the Paris bankers' conference to reach any understanding with itself, and owing also to the threatening differences that are seemingly developing at The Hague. What is apparent is that in the absence of any constructive plan for the adjustment of Europe's economic difficulties further progress toward normal conditions will be indefinitely thrown back and delayed. This, indeed, seems almost positive at present. Only through agreement which will allow the conflicting elements in the various countries to sink their differences can it be expected that distinct advance can be accomplished. This the bankers have already recognized in their final note to the Reparations Commission, and this The Hague conference will, if present probabilities are realized, find itself obliged to do. Simple return to the status which existed before the Genoa conference is almost out of the question. That conference was received with more than eagerness by the various populations which are suffering from present impossible conditions. If

The Hague meeting develops into a failure comparable with that of the Paris bankers' sessions that result must be a profound despair which can be relieved only through undertaking some new method for securing an accommodation and understanding. There is a very direct responsibility for the United States in this matter."

Filled Milk Legislation

The Pennsylvania Farmer for June 24 says in an editorial: "It is surprising to find the sympathies of so popular an agricultural journal as The Breeder's Gazette condemning in unmeasured terms the Voigt bill which prohibits the manufacture and sale of filled milk. This bill has passed the House by an overwhelming majority and is now in the Senate. Without trial by judge or jury the Gazette pronounces it unconstitutional. It may be so declared if it is carried to the Supreme Court. We have noticed that it is impossible for the layman to anticipate court decisions. However, it is the spirit in which this well-known stock journal approaches a subject having a vital bearing on one line of the live-stock industry that surprises us."

Forestry in Indiana

"The Nation is face to face with its forestry problem. With five-sixths of the original American forest either culled out, cut over or burned, with no definite national policy and with great industries such as that of paper making, developing with timber land as the great source of raw material, a condition predicted by men of foresight a decade or more ago is suddenly upon the Nation. Appreciating the situation, Secretary Wallace has approved a pending bill in Congress which provides adequate protection for timber reserves, the extension of Federal cooperation with the several states, Nation-wide distribution of forest trees and seeds and the continued extension of national forests. State as well as Federal action is taking form. Governor McCray has expressed favor of the proposal that the State spend \$50,000 at first with subsequent appropriations for creating State forests providing the land can be purchased at a reasonable price. Indiana is ahead of many states in forest conservation and still far behind many others. At present the State-owned forest land approximates 2,500 acres. This is small compared with 300,000 acres in Wisconsin, 600,000 acres in Michigan and over a million acres in Pennsylvania, especially in light of the fact that thousands of acres of southern Indiana land is good for little except timber culture and could be purchased for \$5.00 per acre. We believe that a reasonable expenditure of State money wisely administered in a definite State forestry policy in cooperation with the Federal Government would be a justifiable step in the development of the resources of the State." (Indiana Farmer's Guide, June 17.)

Freight Rates

"Freight Rate Reduction Inadequate" is the title of a quotation from The Daily Register, Ironton, O., in The Grain Dealers Journal for June 10, which says: "We do not want to appear as too critical of the recent 10 per cent reduction in freight rates ordered by the Interstate Commerce Commission at the behest of President Harding, but we do want to condemn the step as wholly inadequate and meaningless. If the powers that be feel that this beggarly cut will be taken in good grace by shippers and consumers, they have a lot to learn about the temper of the people."

Prune
Marketing

The Washington Growers' Association has withdrawn the crop of prunes from the 1922 market after 4,000,000 pounds had been sold at from 6 to 11 cents a pound. The price is believed to be stiffening. This season's crop will be unusually large. (Portland, Ore., dispatch to press, June 21.)

Roads
in France

A program of road building on a large scale in France is outlined in the new budget of M. le Trocquer the French Minister of Public Works. The old system of French roads includes about 28,000 miles of highways and according to a report by M. le Trocquer much repair work is needed. Increased strain on the French highways has been caused by a larger use of motor traction. Figures received disclose that the number of automobile tractors and lorries in operation increased from 8,000 in 1913 to 93,000 in 1921. The total number of motor vehicles increased from 100,000 to 206,000 in the above period. An increase in the average speed of operation has subjected the highways to an additional strain. (Report of N.Y. Bankers Trust Co., June 21.)

Ship Subsidy

In an editorial on certain policies of the Shipping Board, Manufacturers Record for June 22 says: "The whole situation is the more tragic and the more disquieting because Mr. Lasker is unquestionably correct when he says that foreign interests are going to extreme limits in order to destroy the American marine. He may be right in questioning the good intentions of the letter writers who brought this matter to the fore. But truth is truth, no matter who utters it. Again, unquestionably, Mr. Lasker has brought to his conduct of the Shipping Board an enthusiasm that is admirable. No man has equalled him in driving home to the American public the necessity for a constructive national shipping policy. He has stood in a fair way of winning for himself lasting applause and gratitude. Nor has the President at any time since his inauguration stood more militantly behind a wise and necessary program than in his insistence on enactment of a ship subsidy bill at this session of Congress. The proposal is a cornucopia of business sense, wise in its vision, sincere in its purpose, calculated in fact to restore the merchant flag to the seas, and essential, since acceptance of the Four Power Treaty, as a measure of national defense."

Trade
Associations

Donald Wilhelm says in an article on "The Larger View of Trade Associations," in The World's Work for July: "There, then, is the larger view of the trade associations, since experience shows that the trade association, in the United States as well as in the countries of Europe, is a link of indispensable kind between the Government and the business public. Here, on one hand, you find no substitute for them in the plan by which the Bureau of Foreign and Domestic Commerce promotes American trade, and that bureau emphasizing the necessity of the Government depending more or less upon privately gathered statistics. Here, again, you find the Department of Agriculture deeming them to be indispensable, and Congress accepting them in the changing scheme of things in which individuals have lost their voice before committees on Capitol Hill and the new balance of representation rests, for good or ill, with organized groups. And here, again, you find them accomplishing in cooperation with the Government the elimination of freak varieties of production and collective wastes

in industry which imply a loss of thirty percent of our national energies. ... The larger thought is that America, after a century in which the gods gave us such gifts and opportunities as were never bestowed upon any other nation in the history of the world, is entering a period in which Nature no longer proffers a lap overflowing with plenty. Save in the unknown frontiers of Science our pioneers have done their work for the most part, and the days and years of the 'perfectos' are here. These are the days of refinements in our processes, if we are to keep our place in the sun. And these are the years of consolidation accordingly."

Section 3. MARKET QUOTATIONS.

Farm Products

June 23: Chicago July grain market showed more activity and wheat advanced 2¢, but reacted later on profit taking. Government forecast for another warm wave in central West, and strength in coarse grains were principal factors. Canada also reports increased need for rain. Chicago July wheat higher at \$1.13 3/4; Chicago July corn higher at 63 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.16; No. 2 hard winter wheat \$1.16; No. 2 mixed corn 63¢; No. 2 yellow corn 64¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in central Iowa about 50¢; No. 2 hard winter wheat in central Kansas 96¢.

Chicago hog market opened slow, mostly 5 to 10¢ lower, bulk of sales \$9.80 to \$10.85; beef steers strong to 10¢ higher at \$7.75 to \$9.40; butcher cows and heifers steady to 15¢ higher at \$4.00 to \$8.40; veal calves 25¢ to 50¢ lower at \$7.00 to \$8.75; fat lambs steady to 15¢ higher at \$11.50 to \$13.15.

Potato markets nearly steady. Virginia Eastern Shore Cobblers ranged \$4 to \$4.50 per bbl. Philadelphia and New York: \$4.75 to \$5 Pittsburgh; and \$5.00 to \$5.75 Boston and Chicago. Virginia Cobblers up 10¢ to 15¢ at \$3.85 to \$4.15 f.o.b. shipping points. South central sacked Bliss Triumphs steady in mid west cities \$2.75 to \$3 per 100 lbs. Peach markets irregular. Carmans weak at \$2 to \$3. Cantaloupes still declining. California Salmon Tints standards 45's down 25¢ to 50¢ in eastern markets at \$3 to \$3.50, steady Chicago \$3.50 to \$4. Tomatoes weaker in most city markets. Mississippi Green and turning 4's 75¢ to \$1, firm Pittsburgh 90¢ to \$1.35. Texas Pinks, fours, \$1 to \$1.35 eastern cities. Best Carolina stock sixes brought \$3 to \$3.50 in Boston, Georgia and Florida Tom Watson watermelons, medium sizes weaker, most markets down \$25 to \$40 within a range of \$200 to \$400.

Hay receipts light, especially for low grades. Demand only for top grades. Minneapolis receipts light, not enough arriving to establish a market. Wheat feed market slightly improved and fairly steady. Offerings limited, and buying light and only for immediate needs.

Butter markets steady to firm, especially on fancy goods. Cheese markets firm. Interest in buying for storage has increased.

Spot cotton down 3 points, closing at 22.50¢ per lb. New York July futures down 9 points at 22.38¢. (Prepared by the Bur. of Mkts. & Crop Estimates.)

Industrials and Railroads	Average closing price			
		June 22	June 21	June 22, 1921
	20 Industrials	93.15	93.02	65.36
	20 R.R. stocks	83.60	82.62	66.45

(Wall St. Jour., June 23.)

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 72.

Section 1.

June 24, 1922.

President Supports Cabinet Sharing in Congress Work A long latent movement to have Cabinet representation on the floors of the Senate and House of Representatives was revived and received an impetus at a session of the Cabinet June 23. President Harding and his Cabinet associates showed decided sympathy with the proposal, and it was indicated afterwards at the White House that if the practice were sanctioned by Congress the President and the heads of the Executive departments would be glad to cooperate. (Press, June 24.)

Muscle Shoals Philip P. Wells, former law officer of the Forest Service, told the Senate Committee on Agriculture and Forestry June 23 that he had "never seen a proposition made to the Government as outrageous" as that made by Henry Ford, Representative McKenzie, acting chairman of the House Military Affairs Committee, announced that he would offer an amendment to the army bill when it comes up for final action in the House by which the \$7,500,000 appropriation for expenditure on the Wilson dam at Muscle Shoals, Ala., would be made available in October rather than on July 1. (Press, June 24.)

Lower Grain Rates Urged The Philadelphia Public Ledger to-day says: "The transportation committee of the Commercial Exchange is seeking cooperation of Baltimore and Norfolk interests to save to these ports a large grain business that seems likely to go to New Orleans. A decision of the Interstate Commerce Commission permits the Illinois Central to reduce freight rates from Illinois to New Orleans. The commission said eastern carriers had not put in any objection and it was presumed they would meet the new rate. In view of this decision the Atlantic ports have withdrawn a request for a readjustment of Gulf and Atlantic port rates, which was scheduled for July 11. They are taking the matter up with carriers to see if some adjustment can be made. If such adjustment is not made Atlantic ports will lose grain business originating in Illinois and west of Mississippi points."

Business Situation Good Bradstreet says to-day: "Improvement slow and careful in some areas, relatively fast in others, is still the word most commonly used in describing the progress of distributive trade, of industry and of crops. There is more doing in June, however, than there was in May, in which month trade gained over April, and the advance over June a year ago is, of course, unmistakable. Indeed, except for short periods in the autumn of last year and of 1920, reports as to trade, industry and collections are about the best in two years. ..."

Section 2.

Agricultural
Commission's
Report

"The Congressional Joint Commission of Agricultural Inquiry emits some interesting agricultural information occasionally and as a rule it is fairly presented. Last week it reported on the consumer's bread dollar, showing that about half of it goes to pay the cost of distribution. The wheat producer gets about three cents out of every ten-cent loaf of bread, but the commission does not follow his share on into cookies and other confections. Probably these figures will be misused by some orators who forget what the real problem is so far as the producer is concerned. This is not precisely what proportion the wheat grower gets of the consumer's dollar for bread or cookies, it is whether he gets what he is entitled to have in the market for his product. A lot of time has been wasted on figuring out what a steel manufacturer gets out of a watch spring, what a wheat grower gets out of a loaf of bread and what a wool-grower gets out of a suit of clothes, in the face of the fact that no such calculating can achieve much if anything." (Nat'l Stockman and Farmer, June 24.)

Agricultural 1.
Financing

Eugene Meyer, jr., Managing Director of the War Finance Corporation, June 21 stated that the repayments received by the War Finance Corporation during the first fifteen days of June total \$14,195,284. Of this sum, \$7,721,738 was repaid on loans made under the war powers of the Corporation, while the repayments of export advances amounted to \$970,369, of which \$454,000 was repaid by exporters, \$423,969 by banking institutions, and \$92,400 by cooperative marketing associations. Repayments on account of agricultural and live-stock advances aggregated \$5,503,177, of which \$4,150,074 was repaid by banking and financing institutions, \$713,195 by live-stock loan companies, and \$639,908 by cooperative marketing associations. The repayments received by the Corporation from January 1 to June 15, 1922 inclusive, on account of all loans total \$92,290,572.

2. Eugene Meyer, jr., Managing Director of the War Finance Corporation, June 22 announced that the corporation has tentatively approved the application of the Tobacco Growers Cooperative Association of Virginia, North Carolina and South Carolina for advances of not to exceed \$30,000,000 for the purpose of financing the orderly marketing of tobacco in these States. The advances will be made on the basis of fifty per cent of a conservative valuation of the tobacco. It is expected that only a portion of the amount approved will be advanced by the War Finance Corporation and that the banks in the interested districts will do a considerable part of the financing for the association. Mr. Meyer announced also that the loans made by the Corporation to the Wheat Growers Associations of Washington and Idaho have been repaid in full. (W.F.C. press statement, June 22.)

Freight
Rate Cut

Coastwise steamship lines have made a 30 per cent reduction on freight rates for cotton shipments from the Gulf to north Atlantic ports, it is announced. From Galveston to New York the rate of high density bales has been cut from 50 cents to 35 cents and corresponding reductions have been made to ports in New England and south of New York. (Press, June 22.)

Marketing

The National Stockman and Farmer for June 17 says in an editorial: "One of the constructive suggestions made by the Joint Commission of Agricultural Inquiry is that cooperative organizations of producers should be formed to effect greater uniformity of production, to market uniform grades of products and to use standard containers. The commission speaks the truth when it says that too many of the producers of agriculture come to market 'in small lots of ungraded, unstandardized raw materials for which the producer has assumed no responsibility'. Grading, standardizing and so creating a reputation for products is one of the biggest things most cooperative organizations can do, and it is really the cornerstone of the success some of them have achieved. Agricultural organizations should emphasize the matter of better products and more competent producers. Our purpose should be not merely to get more but to make the products worth more. That is one of the cheapest ways to get more and the only way to keep on getting it." (Nat'l. Stockman & Farmer, June 17.)

Section 3.
MARKET QUOTATIONS.

Farm Products

June 24: All grains reached new high on present upturn but advance induced heavy profits taking and reaction followed. Chicago July wheat higher at \$1.14; Chicago July corn higher at 63 3/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.17; No. 2 hard winter wheat \$1.17; No. 2 mixed corn 64¢; No. 2 yellow corn 64¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa 51¢; No. 1 dark northern wheat in central North Dakota \$1.19; No. 2 hard winter wheat in central Kansas 96¢.

Chicago hog market active with prices steady to lower; bulk of sales \$9.75 to \$10.75. All classes beef cattle generally steady: Medium and good beef steers \$7.75 to \$9.40; butcher cows and heifers \$5.65 to \$7.75; light and medium weight veal calves \$7 to \$8.50; fat lambs \$11.75 to \$13.25.

Potatoes steady New York and Chicago; other markets weaker. North Carolina cobbles \$3 to \$3.75 per bbl. in eastern markets; \$4 to \$4.65 Pittsburgh and Chicago. Virginia Eastern Shore \$3.50 to \$4 Baltimore and Philadelphia; \$4.50 to \$5.25 other cities. Peaches firm New York, weaker in other markets. Georgia Hileys sixes generally \$3 to \$4. Watermelons nearly steady in most markets. Georgia Tom Watsons medium sizes \$225 to \$375 bulk per car. Cantaloupe markets slightly weaker; California Salmon Tints standards 45's \$3 to \$3.50 eastern cities; steady f.o.b. at \$1.40 to \$1.65. Tomatoes slow and dull; Mississippi fours 50¢ to 90¢.

Hay market heavy and unsettled with general price decline. Eastern feed markets continue unsettled; Central western markets report prices firmer.

Butter markets continue firm. Cheese markets firm.

Spot cotton down 53 points, closing at 21.97¢ per lb. New York July futures down 71 points at 21.67¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads	Average closing price			
	June 23	June 22	June 23, 1921	
	20 Industrials	93.07	93.15	66.20
	20 R.R. stocks	83.73	83.60	67.13
(Wall St. Jour., June 24.)				

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 73.

Section 1.

June 26, 1922.

Cabinet and Congress The New York Times to-day prefaces a lengthy editorial on the history of the Cabinet and its relation to Congress by saying: "Approval by Mr. Harding and his Cabinet of the principle, though not the form, of three pending bills to provide for the appearance of members of the Cabinet in the Senate and the House to answer questions, explain, debate, renews interest in an old, intermittent discussion. It seems unlikely that any plan for the purpose will be agreed upon in the present session, but the subject deserves to be kept in the public attention. ... Gradually, the value and the need of the personal presence of heads of departments in Congress have been impressing themselves more and more upon thoughtful men and women. In time the enlightenment may penetrate Congress."

Senator Walsh Attacks Senator Walsh, of Massachusetts, issued a statement
Tariff Charges June 25 in which he declared that the proposed increase in duties on cereals, sugar, fresh meat, potatoes, beans and apples in the McCumber-Fordney tariff would impose on American consumers an added tax burden of \$1,316,569,449 a year. The estimate was prepared by the Department of Agriculture at his request. The basis of Senator Walsh's estimate of the increase in cost of farm products to the consumer under the new tariff is the total population of the country, multiplied by the increased per capita cost of the various items cited as compared with the cost under the Underwood rates. The total increased tax per capita, according to figures obtained from the Department of Agriculture, will be \$13.159 over the Underwood total, and \$3.635 over the Payne Aldrich total. (Press, June 26.)

Ship Subsidy Urged The Associated Press to-day says: "Assuming that members of the House during the forthcoming recess will, as the President has requested, 'illumine' their constituents on the subsidy question, Chairman Lasker, of the Shipping Board, has written each of them, directing attention to the statements he made before the joint committee of the two houses as fully covering 'from the Shipping Board's point of view and experience, the Government's predicament in the ownership of ships' and other phases of the merchant marine problem. The situation which confronts the Government, he stated in his letter is not 'whether one feels that the United States needs a merchant marine,' but that the Shipping Board is to-day 'in possession of the greatest fleet the world has ever known,' which it must operate until the vessels can be sold to private owners. ... The Government, like the merchant who finds himself overstocked with goods, Chairman Lasker argued, should 'turn the business over to those who might operate it more successfully and at the same time in liquidation add to the value of its assets.' "

Section 2.

Agricultural
Situation

"Encouraging Signs for Agriculture" is the title of an editorial in Farm and Ranch for June 24, which says: "Economists who have studied the ups and downs of agriculture and live stock during the past ten years have reached the conclusion that these industries, insofar as profits are concerned, have been on the decline for a decade. What is more discouraging, they offer no hope for the future unless there is a radical departure from present methods. ... The outlook for the agricultural and live-stock industries is not so gloomy as many would have you believe. There are many encouraging signs in sight. For the first time in the history of the country business men generally recognize these industries as basic. They have learned through bitter experience that they can not prosper unless their rural neighbors prosper, and while there will probably always be a class who live by exploiting and preying upon the farmer, the average business man will do what he can to assist the farmer and stockman. The most encouraging feature of the situation, however, is found in the fact that farmers also recognize the importance of their industry and are getting together all over the country in an effort to place it on a business basis. Notwithstanding the willingness of the merchants and the bankers to cooperate with farmers, the producers realize that the burden rests upon their own shoulders. Collectively they are gradually grasping the principles of marketing and individually they are striving to reduce operating expenses and at the same time, secure adequate returns for their labor and investment via the better farming route. The agricultural and live-stock industries hit the bottom of depression and the business of the country came tumbling after. It is not too much to believe that industries of such importance will receive the encouragement necessary to their establishment on a paying basis."

British Market
for American
Bacon

A Liverpool correspondent of the National Provisioner for June 17 says: "The surprising feature during the past month has been the most disappointing demand for American meats, and the big difference in price between American and other sorts would seem to indicate that prejudice on the part of the buyers or of the consuming public is responsible, not only for the wide disparity in price, but for the limited consumptive demand ... Some suggestions have recently been made that it might be advisable, in the interests of the American packers, that some kind of education might be instituted in this country on behalf of American bacon, which is undoubtedly suffering to-day from the effects of Government control, when large stocks were held until stale before being put on the market. The quality of the bacon being sold to-day is beyond comparison with the controlled bacon, but it can not be doubted that the prejudice is there, and anything that can be done to remove such prejudice should surely be undertaken by the American packers in their own interest."

Cold Storage
Legislation

Butter, Cheese and Egg Journal for June 14 says in an editorial on the cold storage bill now before Congress: "We can not for the life of us see why cold storage butter should be labeled at all and we believe it is a mistake for creamerymen to take the position that the industry must submit to some kind of cold storage legislation. Why should any food article that is sold according to grade be handicapped by a cold storage badge just because it has been held at a low temperate for a longer period than thirty days? ... "

Cooperative
Marketing

.. The announcement comes from the American Farm Bureau Federation in Chicago that the Federated Fruit Growers, Inc., established at the recommendation of its Fruit Growers Marketing Committee, has signed a contract with the North American Fruit Exchange whereby the two organizations are brought together under the name of the Federated Fruit Growers, Inc., effective January 1 next. (N.Y. Times, June 25.)

Referring to this announcement, The New York Times to-day says in an editorial: "Arrangements have just been completed for what President Howard of the American Farm Bureau Federation proclaims to be one of the greatest steps yet taken in the development of cooperative marketing and in the elimination of waste between the producer and consumer. Mr. Arthur R. Rule, general manager of the Federated Fruit Growers, hails this consummation as marking the beginning of a new day for American fruit growers. It is to be hoped that consumers will have the same cause for rejoicing when this new plan goes into effect next January. There has been in successful existence for ten years or more a nation-wide non-speculative sales agency for the distribution of fruit and vegetable products, known as the North American Fruit Exchange. Plans have lately been under way from within this mutualized organization to make it a growers' cooperative enterprise, but the American Farm Bureau Federation, approaching the need of better facilities for marketing from the producers' side, has made an alliance with this sales agency, so that there will be, in effect, as a result of this organic cooperation in the distribution of perishables, a grower-owned and a grower-controlled organization reaching from the farm or garden or orchard to every part of the Nation -- an organization whose service will be open to all members of the American Farm Bureau Federation."

County Agent

.. The Montana Farmer for June 15 says in an editorial: "What of the county agent -- is he worth what he costs? As far as the Montana Farmer is concerned, our answer is heartily in the affirmative. The county agent system in Montana is, in our opinion, worth not only what it costs but many times what it costs. Some county agents, like some farmers, are better than others and in some instances there have no doubt been reasons for complaint, but, as a body, the county agents of Montana have been a mighty capable, conscientious, hard-working lot of men. They have had a multitude of difficulties to contend with and hard problems to solve but they have stood the test splendidly and we believe that the great majority of them have proved decidedly profitable investments for the farmers. The trouble with most farmers who feel that the county agent is not worth what he costs is that they misunderstand the function of the agent."

Foreign Trade

The Trade Record of the National City Bank of New York says to-day: "Whatever we may say about our foreign trade in the fiscal year which ends with the current month, its 'favorable trade balance' or excess of exports over imports will far exceed that of any year prior to the war. The biggest 'favorable trade balance' that we ever had prior to the war was \$666,000,000 in the fiscal year 1908, \$665,000,000 in 1901, and \$653,000,000 in 1913. In the fiscal year 1914, all of which elapsed before the beginning of the war, the excess of exports over imports was \$470,653,000, and in the fiscal year which ends with this month will be approximately \$1,140,000,000, or 140% over that of the year preceding the war, and nearly 100% above that of any prewar-year."

Grain Futures
Legislation

In an editorial on the new Capper-Tincher bill, Who is Who in the Grain Trade for June 20 says: "It gives the Secretary of Agriculture much greater authority over the exchanges than he had in the previous bill and if the Supreme Court should sustain it the Government would be permanently installed in the Chicago Board of Trade. ... There is no doubt that the farm bloc leaders, angered by their defeat in the Supreme Court, are attempting to give the grain exchanges 'a more drastic bill' than the old one because of the temerity of the grain dealers in going to the highest court in the land. The new bill goes much further than the old one and carries a degree of control that is unwarranted. It is plainly an attempt through the commerce clause of the Constitution to place future trading under the control of the Secretary of Agriculture. To a layman it seems obvious that the new bill will interfere with the rights of the states in the matter of inspection and weighing of grain. The new bill is modeled largely after the packers' bill which was declared constitutional by the Supreme Court. There was a vast difference, however, between the conditions in the packing industry and in the grain business. In the packers' case it was held that while the transactions complained of were intrastate in themselves yet their effect was of an interstate character because of the close relationship of the five big packers who could and did regulate prices. Where is the analogy in the two cases? There is no 'Big Five' in the grain business. Prices are determined by world conditions. The Supreme Court also held in the Tincher-Capper law that the transactions on the Chicago Board of Trade were intrastate. How can they suddenly be changed into interstate transactions when there is no parallel between conditions in the packing and in the grain trades?"

Grain
Marketing

The National Stockman and Farmer for June 24 says in an editorial on the financing of the U.S. Grain Growers, Inc., by B.T. Hales: "It is rather ironical that those who were going to put the Board of Trade out of business must now depend on a member of that board for money enough to get into it. What then? What difference will there be between marketing by a corporation of growers and by any other corporation? There may be a difference to producers in cost of marketing, which does not appear to favor them if they market through U.S. Grain Growers; and there may be a difference in the cost of getting business, which seems to be in favor of U.S. Grain Growers, if its contracts are kept. But the proposed revolution in grain marketing is nowhere to be seen."

Land Banks

In an editorial on "Provisions of Farm Loan Act", "The Nebraska Farmer for June 24 says: "The chief handicaps of the Federal Land Bank are the restriction of \$10,000 in individual loans, lack of self-control by individual banks which would permit them to establish their own interest rate, appointment of directors by the Federal Farm Loan Board instead of the election of the majority by borrowers, and the chance that a majority of the Farm Loan Board members may be more sympathetic to the Joint Stock Land Banks. Joint Land Banks may loan up to \$50,000 in individual amounts. The banks feel they ought to be more independent of this Government control and be allowed, after they have gotten on a self-supporting basis, to handle their own affairs."

Nitrogen

"A World-Wide Nitrogen Trust" is the title of an editorial in The American Fertilizer for June 17, which says: "An interesting suggestion for the formation of a world trust in nitrogenous fertilizers comes from England, where the scheme has been devised in the interest of the Chilean nitrate producers. The other participants nominated for membership are the German nitrogen syndicate, and the British and American sulphate of ammonia interests. The nitrate concerns have suffered from a 'buyer's strike' in Europe during the past year, and have more than a year's consumption of nitrate in storage. Chile derives 75 per cent of the national revenue from a tax on nitrate, and that country would be pleased to have the inflated receipts of the war years continued indefinitely. The fact is that the world requirement of nitrate has been permanently reduced by the development of competing ammoniates during the war. The output of sulphate of ammonia in the United States has been doubled. Germany seems able to supply the national demand for nitrogen from air recovery plants. France and Italy and Great Britain are all developing air recovery processes with good prospects of success. There will be a still larger output of sulphate of ammonia in this country as soon as the steel business again becomes normal. Under all the circumstances it is not strange that nitrate stocks accumulate, and that the British companies, which are the largest producers, should look for some means of bettering their finances. But a world trust will be hard to organize and harder to maintain. The dominant influence in such a consolidation would be British. Its organization would stimulate the recovery of air nitrogen in every land. National jealousies would hamper its operation and would surely work its destruction."

Section 3.Department of
Agriculture

In an editorial on "Cooperative Marketing," based upon the announced amalgamation of the Federated Fruit Growers, Inc., and the North American Fruit Exchange, The New York Times to-day says in an editorial: "Congress has enacted legislation sanctioning such co-operative association on the part of farmers, and many states, including New York, have given it specific encouragement. The President of the United States has in a public address called attention to the need of cooperative marketing, and the Secretary of Agriculture has put it foremost among the recommendations which he has been making, not only for the benefit of the farmer but also of the great consuming public. The consolidation of bureaus in his department undoubtedly looks toward a closer relationship between producing and marketing. The extension of this cooperation should not only assure the farmer a greater share of what comes ultimately from the consumer, but also as low a price to the consumer as is fair to the farmer. The grievance of the consumer at present is aggravated by the feeling that the farmer does not get as much as he should of what the consumer is obliged to pay in his local market, though this may be but a short distance from the garden or the farm. Mr. Thomas A. Edison's proposals, which have been provoked by these conditions, would have no support if farmers' cooperation in marketing of their perishable products were to become actually nation-wide, as the American Farm Bureau Federation now plans."

Section 4.
WEEKLY REVIEW.

Farm Products

June 24: Grain prices unsettled first half of week ended June 23 but trended upward latter half and closed at net gains. Chicago July wheat advanced 3¢ closing at \$1.13 1/4, Chicago July corn up 2¢, closing at 63 1/4. Principal market factors were removal of hedges against export sales, hot weather, and crop deterioration reports from Southwest and Canadian Northwest. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.18; No. 2 hard winter wheat \$1.18; No. 2 mixed corn 64 1/4¢; No. 2 yellow corn 64 3/4¢; No. 3 white oats 38 1/4¢. Average farm prices: No. 2 mixed corn in central Iowa 52¢.

Hog prices ranged from steady to 10¢ lower for the week; better grades of beef steers and butcher heifers firm to 40¢ higher. Others weak to 25¢ lower; cows unchanged. Feeder steers generally 10¢ lower; light and medium weight veal calves down 75¢. Closing prices given in June 24 Digest.

Potato prices lower during the week. Virginia and Carolina Irish Cobblers down 75¢ to \$1 per bbl. in city markets; 25¢ to 50¢ lower at shipping points. South Central sacked Bliss Triumphs fairly steady. Cantaloupes showed marked decline; California Salmon Tints, standards 45's down \$3 to \$5 city markets; Georgia pink meats, flats, down 50¢ to 75¢. Peaches generally weaker. Watermelons declining. Florida Tom Watsons, medium sizes down \$100 to \$300 bulk per car in consuming centers. Tomatoes very slow and weak. Closing prices given in June 24 Digest.

Hay market unsettled with a general decline in prices because of heavy receipts. Demand not sufficient to absorb arrivals especially the lower grades.

Butter markets steady to firm during week, especially on fancy goods. Closing prices, 92 score butter: New York 37 1/2¢; Chicago 36¢; Philadelphia and Boston 38¢. Cheese markets firm. Since advances on Wisconsin cheese boards Monday traders appear to have greater confidence in present price levels.

Spot cotton prices advanced 13 points during the week, closing at 21.97¢ per lb. New York July futures declined 21 points, closing at 21.67¢. (Prepared by the Bureau of Markets and Crop Estimates.)

Industrials and Railroads	Average closing price	June 24	June 23	June 24, 1921
	20 Industrials	93.16	93.07	67.85
	20 R.R. stocks	84.46	83.73	68.80

(Wall St. Jour., June 26.)

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 74.

Section 1.

June 27, 1922.

Grain Futures Bill

The House June 26 considered the Capper-Tincher grain futures bill, but owing to the filibuster maintained by Representative Voigt was unable to dispose of the measure. (Press, June 27.)

Tariff Legislation

The Associated Press to-day says: "Confining itself more closely to the tariff bill yesterday than it has on any day since that measure came before it, the Senate cleaned up the wood schedule by voting, 49 to 18, to retain shingles on the free list, and then disposed of all committee amendments to the tobacco schedule. To-day it will come to the agriculture schedule, with its multitude of duties on farm products."

Employees' Bonus
to Continue

The Senate June 26 agreed to the House bill providing a bonus of \$240 a year to Federal and District employees during the coming fiscal year. (Press, June 27.)

Muscle Shoals

The House June 24 adopted the Senate amendment to the Army bill appropriating \$7,500,000 for the resumption of work on the Wilson dam at Muscle Shoals, with the immediately available feature eliminated and provision inserted that the amount shall not become available until October 1, 1922. Chairman Norris, of the Senate Committee on Agriculture and Forestry, June 26 announced that the Senate would be asked to insist that the \$7,500,000 appropriated for continuing the work at Muscle Shoals shall be immediately available and not postponed until after October 1, as provided in the House amendment. (Press, June 27.)

Farmers' "Class-
Consciousness"

The New York Times to-day says: "We know now what is the matter with the embattled farmers. Senator Ladd of North Dakota explains that class-consciousness, that word as blessed as Mesopotamia used to be, has reached the farms. Agriculture now feels its own distinct identity as keenly as does manufacturing. But Senator Ladd warns us that the bearing of his principle lies in the application of it. One might think that the class-conscious farmers would be all of one mind. But that does not follow. In the agricultural bloc in the Senate there are twelve Republicans and ten Democrats. But they are in violent disagreement about the tariff. This makes it look as if party-consciousness were still stronger with the farmers than class-consciousness."

Section 2.

Bird Laws

The participation of the United States in additional international legislation for the protection of birds is to be advocated by Dr. Gilbert Pearson, president of the Audubon Society, who is now on his way back to America after a visit to England. The desire of English naturalists to cooperate in such a movement was ascertained by Dr. Pearson during his visit, and he intends to seek legislation in America curtailing the activities of egg-hunters and for the formation of an international committee embracing the United States, Great Britain and several other countries for the extension of laws protecting birds. (Phila. Ledger, June 26.)

Cooperative
Marketing

"Trusting the Farmer" is the title of an editorial in The Indiana Farmer's Guide for June 24, which says: "The passage of the Federal cooperative marketing bill which exempts farmers from certain provisions of existing anti-trust laws has been interpreted by certain individuals in two different ways. One group sees it as a logical step in the development of agriculture. The other group sees danger in the legislation and anticipates trust maneuvers by farmers. One New York journal takes the anti-farmer attitude and states: 'It would be an intolerable condition in this or any nation were we to establish a closed market for foodstuffs by the imposition of fabulously high tariff duties and were then to proceed to authorize the absolute establishment of prices by farm combinations, yet that is what we are doing. Meantime the foundation is being laid for a most dangerous agrarianism of the most offensive type. The farmer can be a tyrannous master.' Apparently this particular commercial journal does not trust farmers. In making its assertions the fact is overlooked that for 46 centuries attempts have been made by one group or another to control the price of farm crops but never were they entirely successful. ... The economic lesson of many nations through many centuries is that with a freely produced product such as wheat and with a price which either encourages or discourages consumption as well as production, the most perfect cooperation of producers will not lead to price fixing so long as we have private ownership in land. To have a monopoly in agriculture it would be necessary for some large central organization to dictate the farming policy of each individual farmer. The American farmer is far too independent not to be his own boss. So long as prices are low and profits small, production will be decreased. This is human nature and no law to the contrary can ever change instincts that have been developed through a hundred centuries."

Cotton Prices

A London dispatch to The New York Times of June 26 says: "The rise in the American price of cotton is viewed with some concern by Lancashire manufacturers. It is feared that if the advance were to go much further it might affect prices of our own manufacturers' finished goods to such extent as to affect demand for export, especially in trade with India. Hitherto, the latest reports from the English textile trade have been favorable. In the Manchester market distinct signs of improvement have been visible with particularly good inquiry from Calcutta and other Indian markets. Orders from China have been disappointing, owing to the disturbed state of the country, although there have been bids at prices too low for acceptance. Demand from South America has shown plain signs of improvement."

Cotton
Spinning
in Japan

A dispatch to The Philadelphia Public Ledger for June 26 states that cotton spinning, the most important industry in Japan, is threatened with a serious crisis, according to The Diamond, a Tokio commercial paper.

Economic
Situation

The New York Times for June 25 says in an editorial: "The depressing facts of the economic situation leap to the eye. There are several strikes on a great scale, with the unrest which gives them political as well as economic importance. The industrial prostration which followed the greatest military and financial crisis in world experience is not yet ended. It is foolish to blink these things, but they are confronted by others less conspicuous, which yet hold them in check. The security market refuses to fall. The explanation seems to be that the depressing factors are temporary, although acute, and that the encouraging elements are permanent, although less conspicuous. The American farmer is busy. The danger that he might think that the collapse of his prices was due to overproduction, and that the remedy was to reduce his crops and raise prices, has passed. Nature, too, has been kind to agriculture. It is true that there has been a decline in the world demand, but the increase over the prewar demand is the more remarkable. We are exporting farm products at the rate of two billions a year, against one billion before the war. For the latest month for which the analysis was made the exports were a million tons of farm products, against a quarter million before the war. The semiofficial estimate is that this year 25,000,000 tons of farm products will be exported. The only limit is the ability of foreigners to pay for the unlimited demand. On that head there is encouragement in the fact that our imports index is 169, against 104 in 1913. Only our own folly can prevent the world from pouring its wealth into our hands for an indefinite future."

Grain Futures
Legislation

"It did not require much power of prevision to foresee that the defeat in the courts of the Capper-Tincher act would be followed by an attempt to override the court by a new act; but because that was apparent enough, should men have slept on their rights and taken what was done by a pernicious group of lawmakers as final? 'We, the people,' are still guaranteed on paper equality of rights as set forth by the Constitution, but as Senator Stanley of Kentucky told the New Jersey State Bar Association on Saturday last, 'The Constitution is being wrecked by reformers'; and honest men engaged in the grain business at least have found, as President Hawk said to the Illinois Grocers' Association, that it is unwise, as respects their business rights, 'to voice adverse criticism' or to defend their rights in the courts against the desires of the Secretary of Agriculture and the agricultural bloc. Even so, as Mr. Hawk continued, 'Will we ever get anywhere toward establishing a paramount sense of obligation and service under the leadership of men driven by fear? The farmers ('leaders') aren't afraid, the labor unions aren't afraid; but the business man has been led to believe that he is a criminal, that everything he undertakes is likely to bring him into contact with the law,' and that if there be no law which the courts will sustain against him, as in the case of the grain trade, then one will be made to hedge him about with intolerable restrictions and also to break down other men's rights in breaking down his. ... "(Price Current-Grain Reporter, June 21.)

Grain Trade
Associations

"The grain trade associations have never been associations in restraint of trade. The only ones which have even remotely shown any disposition in that direction have been the cooperatives in the central States, which have always taught the doctrine of their differentiation from the regular dealers and have shown a certain animus against the established exchanges. But in the West they have become members of the regular associations and acted in conjunction with them, and the most captious can hardly assign to farmers' grain dealers' associations a motive of trade restriction or of unfairness barring the limitations of the class mind of their leaders. The new wheat growers' associations are different. Their avowed purpose is trade restriction in order to keep control of prices by controlling movement and restricting markets in the interest of the so-called 'orderly' system of marketing. It is possible the author of the bill before Congress to require all associations of dealers in foodstuffs or feedstuffs in any form to notify the Secretary of Agriculture seven days in advance of any meeting of any association of that nature, or any executive committee or board of directors thereof, may find justification for such a law in the practices of the grain growers' pooling associations, but he certainly never could find it in the practice of the associations of elevator operators, regular or co-operative." (Price Current-Grain Reporter, June 21.)

Packer Decree

National Stockman and Farmer for June 24 says in an editorial: "The decree which forbids the big packers to handle 'unrelated products' has been assailed by the California Cooperative Canneries, which asks that it be abrogated or at least modified. The chief opponents of any change are the associations representing the wholesale grocery business and two of the packers affected by the decree, Morris and Cudahy. The position taken by the grocers and these packers is natural but not economically sound. It is natural that the grocers should want no more packer competition, and that the packers should desire no more agitation; but it is neither good sense nor good government to prevent from participation in any legitimate business those who can carry it on most efficiently or cheapest."

Potash Tariff

"The proposed tariff rates on potash fertilizers for the next five years are indefensibly too high, and we can see no justification for them. We fully appreciate the desirability of producing our own potash fertilizer, but to ask for a tariff rate which will increase the cost of muriate of potash \$25 a ton is excessive. In 1914 potash fertilizer in the form of muriate of potash was delivered to the farmer at \$45 a ton and if a tariff of \$25 a ton is imposed would make it cost the farmer \$70 a ton. This rate of tariff is proposed for two years, then it is gradually reduced when at the end of five years potash fertilizers will be on the free list. In the meantime if the farmers use as much potash as they did prior to the war it will cost them about \$50,000,000 more for this fertilizer. It would seem that if our potash industry is to be encouraged and developed that some other way of providing funds, besides taxing the farmers, should be found. The potash deposits in this country are in the West and the largest demand for this product is east of the Mississippi river and in the South. The freight rates would materially add to the expense and this is another reason for not imposing an excessive tariff rate." (Hoard's Dairyman, June 23.)

Section 3.

Department of
Agriculture

The Washington Herald for June 26 says: "Two powerful organizations -- the National Lumber Manufacturers Association and the American Farm Bureau Federation -- have joined forces to block the attempt to have the Forest Service transferred from the Department of Agriculture to the Department of Interior. This alliance is revealed in correspondence between the two organizations which has just been made public. A joining of forces was first proposed by the Lumber Manufacturers' Association in a letter dated June 2, addressed to Gray Silver, Washington representative of the Farm Bureau Federation. The proposal of the lumber manufacturers struck a responsive chord in the Farm Bureau Federation. Silver declares in his letter accepting the proffered alliance. ... "

Section 4.

MARKET QUOTATIONS.

Farm Products

June 26: Virginia Eastern Shore Cobblers Ranged \$3.75 to \$5 per bbl. in most eastern markets; \$5 to \$5.50 Boston and Chicago, Norfolk section stock \$3.75 to \$4.75, Carolinas \$4 to \$4.50. Virginia stock \$4 to \$4.25 f.o.b. shipping points; Carolinas \$3.25 to \$3.50. Georgia peaches, sixes and bushel baskets, Carmans \$1.75 to \$2.50, Hileys \$2.50 to \$3.50 in city markets. Carmans \$1.50 at shipping points, Hileys \$1.75 to \$2.25. California cantaloupes \$3 to \$3.50 per standard crate leading cities; \$1.25 to \$1.35 f.o.b. cash track Imperial Valley. Georgia and Florida Tom Watson watermelons \$200 to \$350 bulk per car eastern city markets; \$250 to \$500 Chicago.

Light weight hogs closed firm with good butcher hogs generally steady to 15¢ lower. Packing grades were 15 to 25¢ lower. Beef steers, butcher cows and heifers and stockers steady to strong. Sheep and lambs generally 25¢ higher. Chicago prices: Hogs, top, \$10.75, bulk of sales \$9.60 to \$10.70; medium and good beef steers \$7.75 to \$9.40; butcher cows and heifers \$4 to \$8.40; feeder steers \$5.65 to \$7.75; light and medium weight veal calves \$7 to \$8.50; fat lambs \$12 to \$13.50; feeding lambs \$10.75 to \$12; yearlings \$8.50 to \$11.50; fat ewes \$3.25 to \$7.

Closing prices in Chicago cash market: No. 2 red winter wheat \$1.13; No. 2 hard winter wheat \$1.13; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 2 hard winter wheat in central Kansas 96¢; No. 1 dark northern wheat in central North Dakota \$1.22. Closing future prices: Chicago July wheat \$1.11 1/4; Chicago July corn 61 3/4¢; Minneapolis July wheat \$1.30 5/8; Kansas City July wheat \$1.05; Winnipeg July wheat \$1.24 3/4.

Closing prices, 92 score butter. New York, Philadelphia and Boston 39¢; Chicago 37 3/4¢.

Prices at Wisconsin primary cheese markets June 24: Twins 18 1/4¢; Daisies 18 1/2¢; Double Daisies 18 1/4¢; Young Americas 18 1/2¢; Longhorns 18 3/4¢; Square Prints 19 1/4¢.

Spot cotton closed at 21.45¢ per lb.; New York July futures 20.95¢. (Prep. by Bur. of Mkts. & Crop Estimates.)

Industrials and
Railroads

Average closing price	June 26	June 24	June 26, 1921
20 Industrials	93.48	93.16	67.03
20 R.R. stocks	84.73	84.46	68.00

(Wall St. Jour., June 27.)

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 75.

Section 1.

June 28, 1922.

Grain Futures Bill Passes House

By a vote of 208 to 76, the House June 27 passed the Capper-Tincher bill to supplement the Future Trading Act so as to meet the recent decision of the Supreme Court. (Press, June 28.)

Muscle Shoals

In order to get the army bill through before the end of the fiscal year, the Senate June 27 agreed to the House limitation on the \$7,500,000 for continuing work on the Wilson dam,

Muscle Shoals, prohibiting expenditure of any portion of that sum prior to October 1 next. (Press, June 28.)

Tariff Rates on Meat Attacked

Duties on fresh meats and meat products proposed in the pending tariff bill, if effective, would increase the Nation's meat bill \$379,000,000, Senator Walsh, of Massachusetts, declared June 27 in the Senate. He was discussing the agricultural schedule and announced that from time to time he would "submit figures, staggering in their size, showing what an unbearable burden these duties on agricultural products will be to consumers." (Press, June 28.)

Grocers Against "More Meat" Campaign

A dispatch from Cleveland, O., to The Philadelphia Public Ledger to-day says: "A campaign for more meat eating did not find favor with the convention of the National Association of Retail Grocers meeting here. W.J. Carmichael, secretary of the Livestock and Meat Board, explained the purpose of that body, made up of producers of meat animals, commission men and packers to start a 'propaganda for greater use of meat.' His plaint of the decline in the use of meat fell on unsympathetic ears. ... "

Rail Shopmen Strike Threatens

A strike of 400,000 railway shopmen of the country will be called for July 1 unless the railroads agree to stay the \$60,000,000 wage cut due the shop workers on that date and to restore certain working conditions formerly in effect, it was made known at Chicago June 27 through a telegram from B.M. Jewell, head of the shop crafts, to the Association of Railway Executives. (Assoc. Press, June 28.)

Penna. R.R. Workers Agree to Wage Cut

The Pennsylvania Railroad has completed wage agreements with elected representatives of 42,500 employees. The revised scales, involving reductions mutually agreed upon, become effective next Sunday. (Press, June 28.)

Section 2.

Agricultural
Conditions

The Federal Reserve Bulletin for June says in its review of business conditions: "Steady improvement in the indicated yield of the principal agricultural products has been an outstanding feature in the developments of the past month. Improvement in the prices of cotton, grains, and other products is also a noteworthy feature of the month. Business, in so far as dependent upon current agricultural prospects, shows steady improvement, notwithstanding diminished export shipments of agricultural products, particularly grains, as disclosed by the 10 months' figures since the beginning of the fiscal year, and notwithstanding, further, a slackening of the demand for agricultural products for domestic use. Good demand for labor has manifested itself in practically all parts of the country, with corresponding reduction of unemployment especially in outdoor occupations."

Agricultural
Financing

1. The War Finance Corporation announces that from June 19, to June 24, 1922, inclusive, it approved 50 advances, aggregating \$1,768,000, for agricultural and live-stock purposes in 16 States. (W.F.C. press statement, June 26.)
2. "The representatives of farm interests at Washington now perceive that there is no longer any sound argument for supplying Government credit to help our farmers sell their surplus products in Europe. The home market is the farmers' revised objective. Other things being equal, agriculture will gain or will lose in accordance with the vigor and efficiency of the American consumers' appetite. If there is prosperity and full employment in our steel mills, textile industries, pottery and glass factories, and so on, there will be good markets for the wheat and corn growers, the producers of beef and pork, the dairy farmers and the cotton planters. Europe will of course have to buy a certain amount of American cotton; but members of the farm bloc at Washington are now aware that our agricultural prosperity henceforth is dependent upon the activity of all industries and upon maintenance of good wages." (Am. Review of Reviews, July.)

Agricultural
Statistics

Leon E. Truesdell says in a summary of the results of the 1920 census of agriculture, in Journal of the American Statistical Association for June: "Taking all the circumstances into consideration, then, the figures which by themselves appear to represent such a great increase in farm values in 1920 really indicate a halting in the upward tendency which these values have shown since 1850. Theoretically, the value of the farm land in any country increases in proportion to the number of inhabitants to be supported per 1,000 acres of cultivated land. As a matter of statistical record, however, the number of inhabitants in the United States per 1,000 acres of improved land shows only a slight net increase since 1850. In 1850, when the average value of farms per acre was \$11.14, there were 205 inhabitants per 1,000 acres of improved land in farms; in 1910 when the average value of farms per acre was \$39.60, there were 192 inhabitants per 1,000 acres of improved land, or actually fewer than in 1850; and in 1920, with farms valued at \$69.38 per acre, there were only 210 persons per 1,000 acres of improved farm land. The theory, then, has not worked out in the experience of this country up to the present time. The expectation of a continuous increase in

the value of farm land has come to be a fixture in the minds of American farmers, and in many sections it is a fundamental part of the prevailing scheme of farm economics. If the farm income above the amount equivalent to fair wages for the farmer is considered as interest of the farm investment, it seldom amounts to more than 3 per cent. The average annual increase in the value of the farm for the past 20 or 30 years, however, in many parts of the country has been 6 or 7 per cent. The 3 per cent of actual operating income plus the 6 or 7 per cent of increase in value has made up a fairly satisfactory total income on the investment. It has been evident to many economists studying the problems of farm economics that this increase in the value of farm land could not go on forever. The increases since 1900 have been assisted by a rapid increase in the general price level; in fact, the increase since 1910 has not kept pace with the increase in the general price level. Looking forward, then, as we probably must, to a long period of declining prices: how can we expect the value of farm land to go on increasing? ... And what are the prospects of the farm owner who has profited greatly during recent years, whether he has realized it or not, from the speculative increase in the value of his land holdings? These are serious questions -- questions for the agricultural economist, however, rather than for the statistician. Nevertheless I will venture one suggestion -- that the solution of the problem will come chiefly through increased efficiency in the conduct of farming operations."

Danish Cooperation

"Danish cooperatives continue to prosper despite the economic depression in European countries. The great Danish cooperative bank of Copenhagen shows a net profit for 1921 of over \$800,000, or 33 per cent more than the previous year, according to the All-American cooperative commission of Cleveland which has just received the report of the Danish cooperators. After paying 5% interest on capital, the bank placed almost \$325,000 in its reserve fund and left the balance of its earnings to be distributed to its depositors and customers on a cooperative basis. The Danish cooperative wholesale society, composed of 1,800 local cooperatives with nearly 350,000 members, increased their values from, roughly, \$42,000,000 in 1919 and \$65,000,000 in 1920 to \$67,000,000 in 1921, and this despite industrial depression, unemployment, and fierce competition by private interests. Here is a splendid showing for the sound economics of cooperation. Yet the Boston Chamber of Commerce would morally and financially aid the National Grain Growers' Association in 'educating our farmers' to the fallacy in associated effort." (New England Homestead, June 24)

Filled Milk Legislation

"Under the guise of guarding the public health, a bill is now before the Senate, having already passed the House, to prevent skim milk compounds entering into interstate commerce. If the Senate could only be made to understand that this is only a trade war and not a matter of public health the bill would never be allowed to show its head. ... The only excuse for so prohibiting them (fats from vegetable sources) would be if they were improperly labeled. If that were so the present provisions of the Food and Drugs Act are sufficient to cover the case. Having eliminated all these excuses for the passage of the bill the only remaining one is that it is intended to stifle competition." (N.Y. Commercial, June 23.)

Freight Cut in Canada

A dispatch from Ottawa to the press of June 26 says: "A reduction in rates, averaging on grain from prairie to head of the lakes 25 to 30 per cent, has been forced by the progressive agricultural bloc in Parliament. With this goes from 12 to 15 per cent reduction on several other basic commodities that will apply to the whole of Canada, except on a comparatively small mileage in the Maritime Provinces."

German Grain Levy Protested

The German Agrarian League, in convention at Nuremberg June 25 issued a statement defying the Government which is planning to re-enact the law for collecting a state grain reserve of 2,500,000 tons by a general levy at "fair but moderate price," in order to keep down the price of bread. (Phila. Ledger, June 26.)

River Control

Describing a system of controlling the Missouri River to prevent the washing away of valuable farm land, as carried on by Woods Bros. Construction Company, of Lincoln, Neb., Popular Science Monthly for July says: "The 'Big Muddy' that for years has laughed at revetments and solid dams of concrete and steel, is being induced to control itself! The self-taming process is being accomplished by the use of a newly invented self-driving concrete pile that sinks deep into the soft river bed and becomes a secure anchor for mats of trees and brushwood to retard the stream. Behind these mats the Missouri deposits portions of its load of silt, quickly building under-water sandbars to deflect the current from its banks and hold it to its channel. By the new 'retard' method, engineers hope to save millions of acres of fertile land along the Missouri and the lower Mississippi from the danger of periodic inundation."

An editorial on this subject in the same issue says: "When at last our army engineers completely conquer the Mississippi River, an area said to be equal to the four States of Delaware, Connecticut, Rhode Island, and Massachusetts will be added to the productive farmland of the United States. The invention of a new concrete pile -- almost sensational in its simplicity -- that sinks itself deep into a river bed and forms the basis of a retarding system to make the stream protect its own banks, is already taming the hitherto untamed Missouri River. If it proves to be equally successful on the lower Mississippi the lands recovered from swamp would be worth \$1,600,000,000. They would support a population of 7,500,000."

Ship Subsidy

The National Provisioner for June 24 says in an editorial: "Opponents of the ship subsidy plan advocated by the administration offer only destructive criticism. While conceding that subsidies may be un-American in a general sense, there has been no new ideas advanced that might serve as a better method of establishing an American merchant marine. ... American agriculture and American industry need American bottoms in which to market their products. Moreover, they will insist that the operation of these ships shall be up to the American standard in every way. Only by keeping to a standard of this kind can we hope to merit the support of the country. ... Other maritime nations have used similar methods of building up their merchant marine. Why should our own country hesitate? Neither competitors' propaganda nor political short-sightedness should mislead us. Let us build up a merchant marine second to none, and through it a navy that equals the best."

World's Dairy
Congress

In an editorial on the World's Dairy Congress, The National Stockman and Farmer for June 24 says: "The dairy industry is already a giant. In this country alone the estimated value of farms with dairy cattle is \$47,000,000,000. But the world can use a lot more dairy products and be better off for doing so. The World's Dairy Congress holds possibilities for a great service to humanity, and value to the man who milks cows."

Section 3.

MARKET QUOTATIONS.

Farm Products

June 27: Chicago wheat market advanced sharply as result disappointing threshing returns on winter wheat, due extreme heat and excessive rains early in season and better cash demand. Sales around 500,000 bushels wheat to mills and exporters. Chicago July wheat higher at \$1.14 1/4; Chicago July corn higher at 62 1/2¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.14; No. 2 hard winter wheat \$1.14; No. 2 mixed corn 63¢; No. 2 yellow corn 64¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa 50¢.

Chicago hog prices mostly 10 to 15¢ higher on better grades, bulk of sales \$9.70 to \$10.85; medium and good beef steers strong at \$7.85 to \$9.50; butcher cows and heifers \$4.00 to \$9.50; veal calves 25¢ to 50¢ higher at \$7.00 to \$9.00; fat lambs \$12.25 to \$13.65.

Potato markets weaker, supplies liberal. Demand moderate. North Carolina Irish Cobblers down 50¢ to \$1 in extreme eastern cities at \$3.50 to \$4 per bbl. Steady Pittsburgh and Chicago at \$4 to \$4.50. Cantaloupes nearly steady. California Salmon Tints, standards 45's \$2.75 to \$3.75 in leading city wholesale markets, \$1 to \$1.25 f.o.b. Brawley. Georgia pink meats flats slightly stonger in consuming markets at 25¢ to 75¢. Peach markets steady for best stock. Georgia Hileys, sixes, and bu. baskets mostly \$2.50 to \$3, New York \$3 to \$3.50. Carmans weaker at \$1.75 to \$2.50 eastern markets. Watermelon markets stronger. Georgia and Florida Tom Watsons medium sizes 22-28 lb. average \$300 to \$450 bulk per car New York and Chicago. Tomatoes slow and weak, Mississippi fours 50¢ to 65¢ leading markets, firm Baltimore 75¢ to 85¢. Tennessee turning wrapped fours 60¢ to \$1.

Spot cotton up 11 points, closing at 21.56¢ per lb. New York July futures up 31 points at 21.26¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Average closing price	June 27	June 26	June 27, 1921
20 Industrials	92.47	93.48	67.63
20 R.R. stocks	83.63	84.73	68.70

(Wall St. Jour., June 28.)

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 76.

Section 1.

June 29, 1922.

Reorganization Report

The New York World to-day says: "President Harding has quietly pigeonholed the scheme to reorganize the executive branch of the Government. ... Persons in a position to judge the President's intentions think no recommendation ever will be made to Congress on the Walter F. Brown report, which was presented to the White House several months ago. ... Administration circles held to-day that while many of the reorganization projects were highly desirable, for business efficiency, the matter of personal desire becomes so much involved that reorganization is difficult. ... The main dispute raged over the proposed transfer of the Forest Service from the Department of Agriculture to the Department of the Interior. ... "

Tariff on Meats

Rates on cattle and meats written into the tariff bill with the approval of the Republican-agricultural-tariff bloc, and ranging generally higher than those in the House measure, were approved June 28 by the Senate by overwhelming majorities. (Assoc. Press, June 29,

Tariff Legislation

"New Tariff Frankness" is the title of an editorial in to-day's New York Times, which says in part: "In other years when protective tariffs were being framed their advocates had high-sounding phrases to cover up the real process involved. ... But this year they have been forced or irritated into throwing off all disguise. ... This stripping away of all pretense may seem indiscreet or even repulsive to old-school protectionists, but it is a wholesome thing. The country is entitled to know exactly what is going on. Some of the blunt and bold western Senators have been commendably outspoken. Previous tariffs, they say, have been levied chiefly in the interest of eastern manufacturers. Now the West is in the saddle, and proposes to ride the protectionist horse for its own advantage. ... There is a frankness about all this which is refreshing. The long discussions in the Senate have had at least this justification, that they have given to the people more truth about the motives and methods of tariff-makers than has ever before been brought out. One result has been to compel the Finance Committee to withdraw one proposed tariff rate after another in order to repair the damaged bill and, if possible, make it less offensive to the public."

Roads Legislation

Appointment of a special House committee to investigate expenditure of Federal road funds by the Tennessee State Highway Commission in the construction of public highways was asked by Representatives Scott and Clouse, of that State. (Press, June 29.)

Section 2.

Fertilizer
Information

The Daily Digest has received from Ware Bros. Company, Philadelphia, a copy of The American Fertilizer Hand Book for 1922. The volume contains 14 directories pertaining to the fertilizer industry, revised to date, with statistical tables, a review of the markets for the past year, and other pertinent data. The book has been placed in the Main Library.

Freight
Rate Cut

"Much Hurrah; Little Help" is the title of an editorial in Farm, Stock and Home for June 15, which says: "The much heralded cut in freight rates that is supposed to set the country on the road to prosperity, is very largely camouflage. Of course, the daily press does not say so. Its cue is to give the public the idea that great savings are about to be made; that to help the railroads a further wage cut is necessary. ... Very little of this small reduction in rates will ever reach farmers in reduction in prices of what they buy. The cut on agricultural products is too small in comparison with the shrinkage in value of what he sells to be of any material help. As we see it, farmers are just where they were on the matter of freight rates. All farm organizations should keep working for lower rates on agricultural products. The Interstate Commerce Commission has established the principle that rates should be based on the ability of the industry to pay them, not on the basis of return on the investment of the carrier. It is up to farm organizations to push the advantage this principle gives them. Either get relief or force the Interstate Commerce Commission to reverse itself."

Meat
Campaign

The Country Gentleman for July 1 says in an editorial: "It is time to stop this practice of making meat a target for abuse and misrepresentation. The plan of packers and live-stock producers to unite in a campaign to reestablish meat in the public esteem is both timely and sensible. ... The public should be told the truth about meat, particularly beef. And the truth is that meat is an essential and thoroughly healthful part of the white man's diet. It has been the foremost food of the big-boned, strong-bodied and vigorous races that have written the history of the modern world. The pioneer did not subdue this country on a diet of meat substitutes, nor did the Englishman put a third of the world under the sway of his institutions on a diet of vegetable stews or nut cutlets. For the other side of the picture look to the Hindu and the Chinaman."

Potash
Tariff

"Potash should be kept out of politics; in other words it should be kept out of the tariff. As the proposed rates now stand the farmer must shoulder alone a tariff cost of \$51,300,000 in the next five years, and this in addition to all the other taxes which he shares in common with other business and industry. The proposed potash tariff rate is \$50 per ton of potassium oxide for the first two years, \$40 the third year, \$30 the fourth and \$20 the fifth. Based on the annual normal consumption of potash of 270,000 tons a year, this burden amounts to the immense sum of \$51,300,000. The farmer can not pass along the brunt of this cost, as is done by the manufacturers and other producers. And the only excuse for a potash tariff at all is to protect a small group of wealthy potash producers in this country who wish to have the farmers pay the cost of their experimenting. There is no justice in taxing a product so basic in the first place, but when the farmer -- the ultimate consumer of potash -- is taxed for the benefit of private interests, the situation passes the limit." (Am. Agriculturist, June 24.)

Prices

The Journal of Commerce for June 27 says in an editorial on "Inflation in Commodities": "Sharp advance in wholesale price indexes is noted by various agencies, including the Federal Reserve Board. This has been expected for a good while and is the unavoidable outcome of individual increases in basic lines. Cotton and wheat have been rising for some time, and within the past two or three months distinct increases in various steel products have been announced. Increased prices for woolen cloths have been fixed by the American Woolen Company and there is a general all around movement toward higher levels of value. What does this portend? For about eight months there had been practical stability in prices, as shown by index numbers, and now the upward movement is resumed. Prices were already about 40 per cent above the level of 1913; and, with the increases of last month and this, they have now reached a point some 50 per cent above that of the former year. ... Is there, on the other hand, any reason for what is usually termed a 'natural' advance of prices, regardless of banking and currency conditions? In some lines it seems likely that the price level was reduced below the point set by costs of production. ... In agriculture there seems little doubt that the farmer, at the low point of the depression, was far from being able to make ends meet, even without allowing for overhead charges of various kinds that should normally be reckoned in. It was undoubtedly true that, in other lines, prices did not go down as far as they ought, and that in failing to do so they left not a few branches of production badly adjusted. Indeed, it was one of the notable features of the price situation that the various commodities were so badly adjusted one to another as to leave unprecedented gaps between the different classes of goods. These will be the first to be closed, as current developments are showing. In some ways, therefore, a moderate advance of prices, if due to this process of 'evening up,' is not to be objected to. But the trouble is that, with conditions as unstable as they are to-day, price increases are not likely to be held within bounds."

Sweet Potato
Marketing

The Texas Farm Bureau Sweet Potato Growers' Exchange has been organized, representing a production of 500,000 bushels, for cooperative marketing. This is the seventh exchange organized by the Texas Farm Bureau Federation. (Dallas dispatch to press, June 21.)

Tariff
Legislation

The Prairie Farmer for June 24 says in an editorial: "Farmers have been objecting so strenuously to a tariff on potash that the Senate Finance Committee has about decided to eliminate it and substitute a bounty instead. When the suggestion was made at the National Agricultural Conference at Washington in February that the Government meet the critical agricultural situation by setting a minimum price on a few of the leading farm products, the majority of those present were terribly shocked, none so much so as some of the so-called economists. Such a policy, they said, would be 'economically unsound.' Apparently it is not economically unsound to grant a subsidy to ship owners or potash manufacturers, which amounts to the same thing as putting a Government minimum price on farm products. Apparently it is not economically unsound to permit manufacturers to inflate their prices with the aid of a sky-high tariff wall. At any rate, the economists are silent. Can it be that it is the function of an economist to convince farmers that Government help is economically unsound for them, but a wise public policy when applied to everyone else?"

Wheat Board
in Canada

Modern Miller for June 24 says, in a communication from Winnipeg: "The proposed Western Canada Wheat Board is an enigma to the grain and milling trade, according to the public utterances they have made after looking over the official reports of the Government's statements. It might mean a great deal, or nothing. But the majority take a serious view of reorganizing or the reestablishment of any kind of a wheat board. ..."

Wheat Marketing
in Oklahoma
and Texas

Carl Williams says in an editorial in The Oklahoma Farmer-Stockman for June 25, 1922: "It is at last being sold cooperatively on the world's central markets by the farmers of Oklahoma and Texas. The Oklahoma Wheat Growers' Association and the Texas Wheat Growers' Association are actively doing business. The marketing efforts of both are combined in a zone sales agency known as the Southwest Wheat Growers Association which is managed by trustees elected by the two State groups. Offices have been opened at Enid, Okla. Storage space has been secured at Galveston, Fort Worth, Oklahoma City and Kansas City. Money has been arranged for at cheap rates for making advances to the growers and for operating expenses, and a full set of competent employees are on the job. The first car of old wheat to be handled by the zone agency was consigned from Grandfield on June 7, and the first car of combine new wheat came out of the same county two days later. By the time this paper is read the season will be in full blast. The Oklahoma association has a sign-up of 8,000,000 bushels and the Texas association 3,000,000, on a basis of past production. Because of reduced yields this year the amount actually to be handled will probably be considered less than the given figures indicate. The agency is ready, however, to handle all the wheat that may come. Its arrangements are much more complete than were those of the Oklahoma Cotton Growers' Association when cotton began to move last year, and it has been able to profit in many ways from the first year's experience of the cotton organizations."

Section 3.
Department of
Agriculture

The American Agriculturist for June 24 says in an editorial on "Country-Wide Wool Grades": "The adoption of the wool grades recommended by the Federal Department of Agriculture should be very seriously considered by all wool growers. These grades have been tentatively established in response to a long-felt need for standardization, and have come from careful study of the market grades and preferences of both producers and the trade. Wool, as a marketed commodity, differs vastly from potatoes, apples, or eggs, for instance. These latter products meet a varying demand in the many markets, and even an individual market will differ in its demands. ... The market for wool is established in only a very few centers. Moreover, in fact, we might say the one market is Boston. Therefore the Boston quotations are as applicable to the wool producer of Utah or Montana as to the grower of New York and Pennsylvania, and for comparative prices at the time of sale his wool must be graded accordingly. Wool marketing, at its best, has been more or less a haphazard process, so far as the farmer is concerned, until very recently. With the adoption of country-wide standard grades, satisfactory to both growers and buyers, much will have been accomplished in placing the industry on a forward business basis."

Section 4.
MARKET QUOTATIONS.

Farm Products

June 28: North Carolina and Virginia Norfolk Section Cobblers Eastern Markets; \$4.15 to \$4.40 Chicago. Virginia Eastern Shore potatoes mostly \$4 to \$5; weak in Baltimore \$3.50 to \$3.75. Virginia stock \$3.50 to \$3.75 f.o.b. Eastern Shore points. Georgia peaches, sixes, Hileys mostly \$2.25 to \$2.75; \$3 to \$3.50 in Boston and New York. Carman's \$2 to \$2.75 New York, Pittsburgh and Chicago. Hileys \$1.75 to \$2 f.o.b. California cantaloupes, Salmon Tints, Standards 45's \$3 to \$4 leading city markets, \$1 to \$1.15 f.o.b. Brawley. Georgia Pink Meats, Flats 25 to 75¢. Mississippi tomatoes, fours, mostly 40¢ to 60¢ in consuming markets, 75¢ to 85¢ Baltimore. Texas stock fours, 60¢ to 90¢; sixes \$1.50 to \$1.75 Boston and Baltimore. Tennessee fours 75¢ to \$1 leading cities. Georgia and Florida watermelons Tom Watsons medium size \$250 to \$425 bulk per car Eastern markets; \$340 to \$550 Chicago; \$30 to \$200 f.o.b. shipping points.

Spot cotton closed at 21.81¢ per lb.; New York July futures 21.62¢.

The Chicago hog market steady to 10 lower than Tuesday's average. Beef steers steady to 10¢ higher, butcher cows and heifers strong to 15¢ higher. Bulls firm; canners and cutters steady to strong. Veal calves and stockers steady. The lamb market was slow and steady; sheep prices strong. Chicago prices: Hogs, top, \$10.90; bulk \$9.65 to \$10.80; medium and good beef steers \$7.85 to \$8.60; butcher cows and heifers \$4 to \$8.60; feeder steers \$5.65 to \$7.75; light and medium weight veal calves \$7 to \$9; fat lambs \$12.25 to \$13.65; feeding lambs \$11 to \$12.25. Beef ranged from 50¢ to \$1 higher, depending upon the market. Veal steady to weak, good and choice lam firm to \$1 higher with other grades steady. Mutton ranged from steady to weak; fresh pork loins steady to \$1 lower. Prices good grade meats: Beef \$14 to \$15.50; veal \$12 to \$15; lamb \$18 to \$26; mutton \$13 to \$16; light pork loins \$19 to \$23; heavy loins \$13 to \$20.

No. 1 Timothy - New York \$29.50, Philadelphia \$22.50, Pittsburgh \$22.50. No. 1 Prairie - Minneapolis \$12.

Spring wheat bran Philadelphia \$22; linseed meal New York \$53. Wheat prices unsettled and fluctuated rapidly within 2¢ range. Fair export demand. Unofficial crop estimates place Nebraska crop at 40,000,000 to 45,000,000 bushels as compared with Government estimate 55,000,000 bushels. Cash corn demand good. Closing prices in Chicago cash market: No. 2 Red Winter wheat \$1.15; No. 2 Hard Winter wheat \$1.15; No. 2 Mixed corn 63¢; No. 2 Yellow corn 63¢; No. 3 White oats 38¢. Average farm prices: No. 2 Mixed corn in central Iowa 50¢; No. 1 Dark Northern wheat in central North Dakota \$1.21 1/2; No. 2 Hard Winter wheat in central Kansas 95¢.

Closing prices, 92 score butter: New York, Philadelphia and Boston 38 1/2¢; Chicago 36 1/2¢.

Prices at Wisconsin primary markets June 27 cheese; Twins, Double Daisies and Young Americas 18 1/2¢; Daisies 18 3/4¢; Longhorns and Square Prints 19¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Average closing price	June 28	June 27	June 28, 1921
20 Industrials	92.24	92.47	68.73
20 R.R. stocks	83.49	83.63	69.27

(Wall St. Jour., June 29.)

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 77.

Section 1.

June 30, 1922.

President Explains

Ship Subsidy Stand The Associated Press to-day says: "President Harding, at a dinner at the White House last night, presented to agricultural leaders of the country his reasons for seeking their support for the merchant marine legislation now in Congress and discussed with them several phases of the agricultural credit situation. According to Chairman Lasker of the Shipping Board, who also attended the dinner and at its conclusion told newspaper correspondents that he spoke for the President, Mr. Harding informed his guests that the proposed ship subsidy legislation was offered as a solution to a national problem and not to meet a class requirement. Chairman Lasker quoted the Chief Executive as saying that it was no longer possible for the agricultural interests to be independent of overseas trade. That phase of the national life, Mr. Harding was reported to have declared, was as closely linked to world trade as the manufacturing industry. Mr. Harding, it was said, asserted that the farmers could be assured of a continued and constant carriage of their surplus only through an American merchant marine. If there were no markets opened to the American manufacturer, he argued, that manufacturer could not take care of the products of the farms, adding it was said, that unless the manufacturing industry could be employed to the maximum, the agricultural industry would suffer. The farm credit matter was said to have been raised by the guests, who told the President they favored consolidation of the various bills dealing with this subject before Congress into one measure, the general purpose of which should be to give longer time to farmer borrowers than present commercial facilities afford. The President was said to have expressed interest and a desire to be helpful in this object. The discussion throughout indicated, it was said after the dinner, that the guests intended to obtain more information on the ship subsidy and were of the belief that the public in general likewise needed education along that line."

Tariff

Legislation

Tariff on foodstuffs occupied the attention of the Senate June 29, with committee rates on milk, cream, poultry and honey receiving overwhelming indorsement. (Press, June 30.)

Retirement

Legislation

The House June 29 passed the Fairfield bill to extend the benefits of the retirement act to employees over sixty years of age who have been retired through no fault of their own. (Press, June 30.)

Rail Situation

"Intervention by the Federal Government, under authority of the Transportation Act, loomed June 29 as the final hope of averting the threatened rail strike." (Assoc. Press, June 30.)

Section 2.

Agricultural
Situation

The Agricultural Review for June says in an editorial: "The Agricultural Review has an abiding faith in the future of American agriculture. The Review does not believe the industry is one that will have to be aided by the other industries, or maintained through special favors. It is fundamentally and potentially the soundest and safest business of all. The independence attained by the fathers of the men now on the farms is not going to be surrendered^{ed} by their sons. It is true that the emergency resulting from the recent unparalleled price collapse called for emergency action, which was had. But the situation appears to have developed a school of theorists whose well intended efforts are liable to do more harm than good. Under date of June 1, the editor of the Review addressed an open letter (subject, rural credits) to Hon. Henry C. Wallace, Secretary of Agriculture, in which it was sought to draw attention to what we believe to be a grave danger to agriculture in general, and to many of those engaged in it, individually. This letter is of course not intended as a criticism of Secretary Wallace. The objective was merely to place the facts in the letter before the country, and it seems as if that has been done, to some extent at least. ... The letter to Secretary Wallace, with the Secretary's reply, will be found in this number of the Agricultural Review. The Review, of course, is in favor of the best possible and the most liberal system of agricultural credits. Much progress has been made in that direction, and more will be. But credit, unwisely used, is not an asset."

Business
Conditions

Commerce Monthly for July says in its monthly review of business conditions: "Industrial stability has been more nearly attained in the past thirty days than at any time since the beginning of the World War. Some industries have shown moderate gains, in others conditions have altered but little and in a few lines a seasonal dullness has occurred. The unfavorable factors in the situation are the continued deadlock in the coal strike and in the textile mills of New England and threats of strikes by those classes of railroad labor affected by recent decisions of the United States Railroad Labor Board. Iron and steel output for May showed further gains, and the unfilled orders of the United States Steel Corporation have increased. Automobile production during May established new high records. The rubber manufacturing industry is sharing in the activity in automobile manufacturing. Conditions in the hide market are not yet satisfactory but stocks are not large and both tanners and manufacturing consumers of leather feel reasonably sure that prices of hides and skins will not go lower. Stocks of leather are heavy but the market is becoming more active for all classes. In the textile and related industries, the foremost problem is whether the higher prices resulting from rising costs of raw materials can be passed on to the consumer. The wool manufacturer is operating nearly at capacity. The cotton textile industry in the South is active but strike conditions continue to prevail in New England. ... The distribution of agricultural implements continues to be fairly active, although the industry is still affected by the curtailed purchasing power of the farmer. As yet the improved outlook in agriculture is not reflected in any marked increase in buying, agricultural betterment thus far being primarily one of sentiment. On the other hand, a definite improvement is reported in retail trade in those cities where unemployment is being reduced and payrolls increased."

Cotton

"Mexican petroleum is not the only high vaulter in the market. King Cotton, in the first twenty days of June, cleared 261 points, without drawing remonstrance from the New York World. After the reaction from the high point on June 20, cotton is again moving upward. There is only one real reason, and that is a disappearing supply and an increasing demand. The market has reason to expect that the official report to be issued July 3 will show a better condition than a month ago, when it was 69.6. June is the month of greatest improvement in cotton and something better than last month should be seen. But even if the condition were up to the ten-year average of 76.9, which it will not be, the fact would still remain that cotton must face unusual dangers, that the world surplus is decreasing, and demand appears to grow larger every week. Heretofore, the June condition has never been the deciding factor in the growth of cotton. The plant is not limited to approximate dates for blooming, but, when it reaches a certain development, will put on squares and continue until frost. Therefore, though it may be late, a crop could be produced if season favored in the autumn. But now, all this is changed. The planter gets the early bolls while the weevils take the greater part of those of midsummer and later. This is the significant fact in a condition figure in June that shows a late growth. ... Against this prospect is an increasing need for cotton. The surplus no longer worries the trade; instead, the near approach to a deficit provides food for thought. This looks more serious when the fact is becoming clearer every day that even if the weevils were eliminated a crop could not be reasonably expected that would amount to as much as the world would consume next year if the cotton were available. These are the facts that can not be explained away, and they are behind the cotton market to-day." (Wall St. Jour., June 29.)

Grain Futures
Legislation

New York Commercial for June 28 says in an editorial: "With the passage of the Tincher grain futures bill Congress believes that it will have overcome the objections of the Supreme Court to the previous bill recently declared unconstitutional. The Tincher bill is hasty legislation and is being rushed through at the dictation of the farm bloc for political purposes. It would not be surprising if it were declared unconstitutional on some other ground, as it contains new provisions, some of which seem to be a clear invasion of the right of contract. The grain exchanges do not object to supervision, but they do object to such wide powers being placed in the hands of the Secretary of Agriculture. The whole theory back of this bill is to increase the farm prices of grain in the belief that they are affected by speculation on the exchanges adversely. The point always seems to be overlooked that speculation operates both ways. There is always a large amount of talk of bear manipulation, but nothing much is ever said about bull manipulation. As a matter of fact, there is really no such thing as bear manipulation. If the amount of wheat available is in excess of the demand, that fact will make itself apparent in spite of anything that anybody can do. But if there is a scarcity of wheat the bears may say what they please to the contrary, but it will have no effect. It is only when wheat is scarce that there is any real chance to manipulate the market."

Operation and
Distribution
Costs Survey

Funds for a five-year investigation of methods to reduce the retail grocers' operating and distributing costs and to bring down prices to the consumer were pledged by delegates to the annual convention of the National Association of Retail Grocers, in session at Cleveland, June 28. The inquiry, the delegates urged, should be pushed under the direction of the Harvard Bureau of Business Research with the cooperation of the association. (N.Y. Times, June 29.)

Ship Subsidy

In a lengthy article on "The Merchant Marine Problem," Commerce Monthly for July says: "The establishment of an American merchant marine on a sound basis is particularly difficult at the present time. The possession of a great fleet is not altogether an advantage, particularly when this fleet comprises many inefficient units and is still very largely in Government hands. Transference of the good tonnage to private ownership is difficult in the face of the severe depression in shipping, which discourages purchases at any price. The basic difficulty, however, is that ship operators are yet to be convinced that ship operation in normal times will be possible under the American flag in competition with foreign ships. It would be a mistake to assume that the disposal of these vessels is the primary consideration. The ships were built for a war emergency and it would be better to write them off as a war expense at once than to spread the loss over a period of years, or possible to extend it indefinitely, by establishing subsidies higher than would be necessary to permit American participation in the shipping industry. For if operators are paid to take the ships off the Government's hands (which is what such subsidies would amount to) American shipping will thereby be placed on an artificial basis which will continue after the ships now to be disposed of are scrapped. The first problem to be solved is that of putting the American ship operator on a sound basis, and this implies freedom from artificial restrictions which may increase his capital charges. ... The outstanding fact in regard to the need of Government assistance for the American merchant marine is that the need can not be accurately measured at the present time. Unquestionably a subsidy is necessary to enable American ships to compete under present conditions, but would it not be a mistake to perpetuate present conditions? A subsidy based on the present differential in operating costs would be in effect a subsidy to a certain class of labor. A subsidy intended, in addition, to make possible the operation of more ships than there is a traffic for in the depressed state of foreign trade, would certainly establish an artificial basis for American shipping which in the long run would prove expensive to the taxpayer beyond all need. ..."

Section 3.Department of
Agriculture

The American Agriculturist for June 24 says in an editorial: "The food products inspection service of the United States Department of Agriculture will remove its interstate restriction on the inspection of fruits and vegetables on July 1, and after that time provision will be made as rapidly as possible for inspection 'at points which may be conveniently reached from designated markets.' Just how much service this means to farmers who market their products within the home State remains to be seen, but with the operation of

provisions in some of the recent appropriation bills there should be more generous aid to farmers who wish to know the condition of their products as they arrive at the market. Under the past regulations, it has been necessary for a grower to sell his fruits and vegetables in another state from his home farm or he could not call upon the Government inspectors for aid. ... It is a step in the right direction, and with sufficient application of funds and the employment of further trained personnel, a great protection to the grower will be forthcoming at the markets."

Section 4.

MARKET QUOTATIONS.

Farm Products

June 29: Chicago wheat trade nervous but undertone firm. Black rust found on stem of spring wheat South Dakota but no damage claimed as yet. Cash market strong. Corn held moderate range and closed firm. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.16; No. 2 hard winter wheat \$1.16; No. 2 mixed corn 63¢; No. 2 yellow corn 63¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in central Iowa 50¢; No. 1 dark northern wheat in central North Dakota \$1.22; No. 2 hard winter wheat in central Kansas 95¢. Closing future prices: Chicago July wheat \$1.14 3/4; Chicago July corn 62 1/2¢; Minneapolis July wheat \$1.34 3/4; Kansas City July wheat \$1.08 1/2; Winnipeg July wheat \$1.27 5/8.

Chicago hog prices strong to 15¢ higher, bulk of sales \$9.75 to \$10.95; beef steers and butcher cows and heifers strong to 15¢ higher; medium and good beef steers \$7.90 to \$9.60; fat lambs 25¢ lower at \$12.00 to \$13.40. Beef prices steady to 50¢ lower. Veal steady at some markets, \$1 to \$2 lower at others. Lamb ranged from \$1 lower to \$1 higher; mutton steady to as much as \$2 higher. Fresh pork loins weak to \$1 lower. Prices good grade meats: Beef \$14 to \$15.50; veal \$12 to \$15; lamb \$18 to \$26; mutton \$13 to \$16; light pork loins \$19 to \$22; heavy loins \$13.50 to \$19.

Potatoes weaker. North Carolina Irish cobbles most eastern markets \$3 to \$3.75 per bbl. slightly weaker Chicago \$3.85 to \$4.25. Virginia Eastern Shore and Norfolk Section stock \$3.50 to \$4.50, Chicago and Boston \$4 to \$5, slightly weaker at shipping points. Watermelons steady to strong. Georgia Tom Watsons, medium sizes \$250 to \$400 bulk per car eastern markets, steady Chicago \$300 to \$525. Weaker tone prevails in peach markets. Georgia sixes Hileys most markets \$2.00 to \$2.75, New York \$3 to \$3.25. California cantaloupes, standards, 45's steady to firm at \$3 to \$4 in leading cities, weak at shipping points at 90¢ to \$1.15. Georgia Pink meats, flats, steady 35¢ to 75¢ eastern markets. Tomato markets slow and weak. Texas and Tennessee, fours, ranging 50¢ to 90¢, Mississippi stock dull at 35¢ to 65¢.

Eastern hay markets heavy and unsettled except New York where market is firm with prices slightly higher. Other markets slow with demand only for top grades. Low grades sold only at a discount. No material change in wheat feeds. Offerings from northwest small with no pressure to sell.

Spot cotton prices up 3 points, closing at 21.84¢ per lb. New York July futures up 6 points at 21.68¢. (Prepared by the Bureau of Markets and Crop Estimates.)
